DJ AUTO COMPONENTS MANUFACTURING SDN BHD
v. FBK SYSTEMS SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
UMI KALTHUM ABDUL MAJID JCA
[CIVIL SUIT NO: 22IP-36-08-2012]
15 APRIL 2016

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Infringement of – Whether plaintiff acquired goodwill and reputation of marks consisting of alphabets 'FBK' – Whether defendant registered proprietor or registered user of plaintiff's FBK marks – Defendant's admission to using marks identical to plaintiff's FBK marks – Whether defendant infringed plaintiff's FBK marks under provisions of s. 38(1) of Trade Marks Act 1976*

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Passing off – Plaintiff's marks consisting of alphabets 'FBK' – Whether identifying or essential features of plaintiff's marks used on goods adopted by defendant – Whether there was likelihood of confusion – Whether there was misrepresentation to public – Whether plaintiff would suffer damage by defendant's actions – Whether marks 'FBK' distinctive of plaintiff's business – Whether there was passing off*

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Plaintiff's marks consisting of alphabets 'FBK' – Whether plaintiff acquiesced or consented to defendant's alleged use of trade mark – Principle of estoppel – Whether applicable*

INTELLECTUAL PROPERTY: *Trade marks – Registered trade marks – Plaintiff's marks consisting of alphabets 'FBK' – Deed of assignment assigning property, rights, title and interest in FBK marks to plaintiff by plaintiff's predecessor in title – Whether plaintiff bound by burden or liabilities – Whether deed of assignment valid – Whether proprietary rights in FBK mark successfully transferred to plaintiff*

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Rectification – Whether defendant using marks in Class 16 registration as instrument of fraud – Whether would injure plaintiff – Whether marks in Class 16 registration allowed to remain on register – Whether plaintiff aggrieved person for purposes of ss. 45(1) & 46(1) of Trade Marks Act 1976 – Whether defendant's marks in Class 16 registration deceptively and confusingly similar to plaintiff's FBK marks – Whether contrary to s. 14(a) of Trade Marks Act 1976 – Whether marks in Class 16 registration registered without intention in good faith – Whether defendant's Class 16 registration should be expunged*

INTELLECTUAL PROPERTY: *Trade marks – Registered trade mark – Expungement of – Plaintiff's marks consisting of alphabets 'FBK' – Whether there was abandonment of plaintiff's FBK marks – Whether defendant had grievance cognisable in law to have plaintiff's 'FBK' marks expunged*

A The plaintiff was carrying on business as manufacturer and seller of, amongst others, disc pads, bonded shoes and truck linings in Malaysia and other countries. FBK Automative Components (Malaysia) Sdn Bhd ('FBKAC'), the plaintiff's predecessor in title, had been registered as the proprietor of the FBK mark *via* Trade Mark Registration No. 95004203 and FBK mark *via* B Trade Mark Registration No. 00013891 for disc pad, bonded shoes, truck lining and clutch facing, all included in Class 12, ('the FBK marks'). By the deed of assignment dated 10 March 2011, FBKAC had assigned all the property, rights, title and interest in the FBK marks to the plaintiff together with the goodwill of the business relating to the goods in respect of which C the FBK marks were registered. The plaintiff was recorded as the proprietor of the FBK marks. By using and making known through extensive advertising and promotion and sales of the said goods bearing the FBK marks, the FBK marks had come to be associated with or identified by members of the trade and business in Malaysia with the trade and business of the plaintiff and/or its predecessor in title. The defendant was in the business of manufacturing D and trading of automotive components such as brake parts. At all material times, the defendant had been manufacturing, distributing, selling and offering for sale, disc pads and brake pads bearing the letters FBK ('the defendant's alleged marks') and the packaging and/or trade dress ('the defendant's alleged packaging or trade dress'). The defendant had used E the letter "FBK" as part of its company name, and was the registered proprietor of the following trade mark registrations in Class 16, the validity and ownership of which was being challenged by the plaintiff. The plaintiff's case was that it had acquired a proprietary right in the reputation and goodwill, and was thus entitled to an exclusive right thereof in connection F and association with the FBK marks. The plaintiff submitted that the defendant had, without the licence or authority of the plaintiff, sold the said goods bearing trade marks which were identical with or confusingly similar to the FBK marks ('the infringing marks') in Malaysia, without the consent or authority of the plaintiff. The defendant, however, contended that it was G not liable for the infringement and/or passing off of the plaintiff's alleged trade marks/FBK marks nor has it misrepresented to members of the trade and public that the defendant's business was that of the plaintiff or was connected or associated with that of the plaintiff by using the letters 'FBK' as part of its company name. According to the defendant, the plaintiff was not the lawful proprietor of the FBK marks. The defendant averred that the H deed of assignment was invalid and bad in law and was ineffective in transferring any proprietary rights in the registered FBK marks to the plaintiff. The defendant, in its counterclaim, contended that the plaintiff's FBK marks were entries wrongfully entered or wrongfully remaining in the Trade Marks Register within the meaning of s. 45(1) of the Trade Marks Act I 1976 ('the Act') and should therefore be cancelled. The issues that arose for determination were, *inter alia* (a) whether the defendant had infringed the

plaintiff's FBK marks; (b) whether there was passing off by the defendant by its use of the defendant's alleged marks and the defendant's packaging and/or trade dress; (c) whether there was passing off by the defendant by the use of the alphabets 'FBK' as part of its company's name; (d) whether the plaintiff was entitled to any proprietary rights; (e) whether the defendant's Class 16 registrations were entries made in the Register without sufficient cause and were registered without an intention in good faith; (f) whether the defendant had a grievance cognisable in law to have the plaintiff's FBK marks expunged from the Register of Trade Marks (g) whether the plaintiff acquiesced or consented to the defendant's alleged use of the defendant's alleged marks; (h) whether the defendant was entitled to rely on the defences of delay, laches and estoppels and hence the plaintiff was disentitled to bring this action against the defendant; (i) whether the defendant was legally entitled under common law by reason or use of devolution of title to the proprietorship of the defendant's alleged marks; (j) whether the alphabets 'FBK' were distinctive of the plaintiff's trade and business in brake pads, brake shoes and brake linings; (k) whether the deed of assignment was invalid and bad in law and was ineffective in transferring any proprietary rights in the registered trade marks to the plaintiff; and (l) whether the plaintiff had suffered loss and damage by reason of the defendant's alleged acts of infringement and passing off.

Held (allowing plaintiff's claim; dismissing defendant's counterclaim):

(1) The defendant was neither the registered proprietor nor the registered user of the plaintiff's FBK marks. The defendant's alleged marks were being used in the course of trade upon brake pads and brake shoes. Brake pads and brake shoes were goods within the scope of registration of the plaintiff's FBK marks. The defendant's alleged trade marks were also being used in such a manner as to render the use to be taken as being used as a trade mark, namely, use on the defendant's brake pads and brake shoes, packaging brochures, websites and catalogues for the same brake pads and brake shoes. The defendant had never denied and had in fact admitted to using marks which were identical to the plaintiff's FBK marks, namely, marks consisting of the alphabets 'FBK'. Thus, the plaintiff was successful in proving that the defendant had infringed the plaintiff's FBK marks under the provisions of s. 38(1) of the Act (paras 10, 11 & 14)

(2) The plaintiff showed evidence that it had acquired goodwill and reputation in respect of the plaintiff's FBK marks in connection with brake shoes, brake pads and truck lining in, amongst others, Saudi Arabia, Yemen, Turkey and Russia as a consequence of extensive sales, use and promotion of the plaintiff's FBK marks. SP9, the founder of the plaintiff's predecessor in title testified that he created the FBK mark and used it as part of the company's name of the plaintiff's predecessor in

title. SP9 testified that the said company had used the FBK mark on brake shoes since the company commenced business in 1983 and on brake pads and truck lining since 1988 until it sold its business and assets to the plaintiff. This was not challenged by the defendant. This court accepted the evidence adduced as evidencing the goodwill and reputation in respect of the plaintiff's FBK marks in connection with the brake shoes, brake pads and truck linings in Malaysia. (paras 18 & 21)

(3) Going by the plaintiff's identifying or essential features of its goods as compared with the defendant's identifying or essential features of the defendant's goods, the plaintiff proved that the identifying features of the plaintiff's FBK marks used on the goods had been adopted by the defendant. The defendant had copied the plaintiff's product numbers by printing the plaintiff's product numbers on the labels which were affixed to the packaging of the defendants goods although the defendant's own catalogues did not use such product number. Evidence of actual confusion was not necessary in a passing off action. It sufficed that there was likelihood of confusion among the plaintiff's prospective customers that the defendant's goods were associated with the plaintiff's goods. The plaintiff had established misrepresentation by the defendant to the public leading to or most likely to lead the public to believe that goods offered by the defendant were the plaintiff's goods. (paras 27, 28, 32 & 34)

(4) The plaintiff had acquired substantial goodwill and reputation in brake products bearing the plaintiff's FBK marks through its trading activities and those of its predecessor in title for over 30 years. The defendant's FBK mark was identical or confusingly similar to the plaintiff's FBK marks and the defendant's goods were in direct competition with the plaintiff's goods. Brake products are essential to the safety of vehicles and users and passengers of vehicles, and any defect or lack of quality would be wrongly or unfairly attributed to the plaintiff. The plaintiff had established that it would suffer or was likely to suffer damage by reason of the defendant's actions of misrepresenting its goods which were associated with or originate from the same source as the plaintiff's goods. There was thus passing off by the defendant by its use of the defendant's alleged marks and the defendant's packaging and/or trade dress in respect of brake pads, brake shoes and brake linings. (paras 37, 40 & 41)

(5) By using 'FBK' as part of the defendant's company name, the defendant had misrepresented to members of the trade and the public that the defendant's business was connected or associated with that of the plaintiff. The plaintiff's FBK marks had acquired a secondary meaning denoting the goods and business of the plaintiff in Malaysia and other countries. The use of "FBK" by the defendant as part of its company name would lead members of the trade and public to believe that the

defendant's business was a branch of or associated with the plaintiff's business resulting in irreparable damage to the plaintiff's goodwill and reputation. This was exacerbated by the fact that the defendant had also applied the plaintiff's FBK marks upon its goods which was in direct competition with the plaintiff's goods. There was thus passing off by the defendant by its use of the alphabets "FBK" as part of its company's name, seeing that the alphabets "FBK" had become distinctive of the plaintiff's trade and business in brake pads, brake shoes and brake linings. (paras 43, 48 & 49)

(6) There was no credible evidence that the plaintiff's predecessor in title had encouraged and/or acquiesced the defendant to use the "FBK" as part of its company name or on its goods and packaging as its trade mark. Even if the plaintiff's predecessor in title was aware of the infringement, which was denied, mere delay in instituting an action after knowledge of infringement did not deprive the plaintiff of its statutory rights or appropriate remedy for the enforcement of those rights nor did it amount to acquiescence. The plaintiff was successful in proving that there had been no acquiescence by the plaintiff for the defendant and its predecessor to use the defendant's alleged marks. The principle of estoppels by acquiescence and/or implied consent did not apply to the plaintiff. (paras 57 & 60)

(7) The plaintiff had no notice of the defendant's purported right to use the FBK trade marks. The plaintiff, having acquired the goodwill of the business attached to the FBK trade marks for value without notice, was therefore not bound by any 'burden' or 'liabilities'. Having perused the deed of assignment, it was clear that the goodwill and the FBK marks had indeed been assigned by the owner of the FBK marks, that was FBKAC, the plaintiff's predecessor in title, to the plaintiff. The deed of assignment was valid and had successfully transferred proprietary rights in the FBK mark to the plaintiff. (paras 68 & 70)

(8) The plaintiff had been using FBK marks in relation to brake products for nearly 30 years, a date well before the defendant had allegedly commenced use of the FBK mark. The defendant was using the marks in the defendant's Class 16 registrations as an instrument of fraud, namely to trade in its brake products and not to trade in the goods, namely papers, paper products and packaging materials. The manner of use of the marks in the defendant's Class 16 registrations upon packaging and plastic materials by the defendant in relation to its brake products would seriously damage and injure the plaintiff in a practical away if the marks in the Class 16 registrations were allowed to remain on the register as the defendant's goods were being passed off as the plaintiff's goods and use of the FBK marks on the packaging of the defendant's goods infringed the plaintiff's trade mark registrations. The

A plaintiff was not an infringer but a person aggrieved for the purposes of ss. 45(1) and 46(1) (a) of the Act. Being a trader whose business is or will be affected by the continued presence of the marks in the defendant's Class 16 registrations, the plaintiff was entitled to apply for rectification of the registrations. (paras 74 & 76)

B **(9)** The defendant's Class 16 registrations were deceptively and confusingly similar to the plaintiff's FBK marks in that members of the trade and the public seeing the FBK mark applied to the defendant's registered goods would think that these goods were those of the plaintiff or associated or connected to the plaintiff. This was contrary to s. 14(1)(a)
C of the Act. This was especially in light of the long usage by the plaintiff and the plaintiff's predecessor in title. Further, the defendant had knowledge of the plaintiff's predecessor in title's rights in the FBK marks but nevertheless proceeded to apply to register the marks in the defendant's Class 16 registrations. The defendant had accordingly acted
D dishonestly and in bad faith and the defendant's marks in Class 16 registrations were disentitled to the protection of the court. That being the case, defendant's Class 16 registrations should be expunged from the Register. (paras 83, 84 & 86)

(10) The defendant was not in the business of manufacturing or selling
E "paper, cardboard and goods made from these materials, and plastics and materials for packaging". The manner in which the defendant's use of the marks in its Class 16 registration did not indicate a connection in the course of trade between the defendant's registered goods and the defendant and did not satisfy the definition of 'trade mark' under s. 3(1)
F of the Act. The defendant was obviously using the marks on printed material such as 'paper and cardboard' in relation to brake pads and brake shoes with the intention of misappropriating the plaintiff's goodwill and reputation in its business. The defendant's Class 16 registrations had been registered without intention in good faith to use
G and no use in good faith. (paras 88, 89 & 91)

(11) The defendant had failed to adduce credible evidence in support of its allegation on the plaintiff's predecessor in title's failure to object to the defendant's use of the 'FBK' as part of its company name and as a mark upon its goods. The plaintiff had adduced credible evidence to show
H that there was no abandonment of the plaintiff's FBK marks at any time during the period 1990 to 1998. The defendant had failed to adduce any evidence to establish that the 'FBK' mark was so universally used that it no longer functioned as an *indicia* of origin of the plaintiff's goods. The defendant did not have a grievance cognisable in law to have the
I plaintiff's FBK marks expunged from the Register of Trade Marks. The defendant had thus failed to prove its counterclaim against the plaintiff. The plaintiff, however, had been successful in establishing its claim against the defendant on a balance of probabilities. (paras 96-99)

Case(s) referred to:

Al Bassam Trade Mark [1995] RPC 511 ***(refd)***
Bali Trade Mark [1969] RPC 472 ***(refd)***
British Legion v. British Legion Club (Street) Ld (1931) 48 RPC 555 ***(refd)***
Electrolux Ld v. Electrix Ld and Another [1954] 71 RPC 23 ***(refd)***
Ewing (Trading as The Buttercup Daisy Company) v. Buttercup Margarine Company LD [1917] 2 CH 1 ***(refd)***
Harrods Ltd v. Harrodian School Ltd [1996] RPC 697 ***(refd)***
Howe Laboratories Inc v Daemar 1936 IPR 638 ***(refd)***
HP Bulmer Ltd and Showerings Ltd v. J Ballinger SA and Champagne Lanson Pere Et Fils [1978] RPC 79 ***(refd)***
In the Matter of An Application by Hayden & Coys Ld [1946] RPC 97 ***(refd)***
In the Matter of the Trade Marks Act, 1938 and in the Matter of Vitamins Ld's Application for a Trade Mark [1956] RPC 1 ***(refd)***
Joseph Rodges & Sons Ltd v. WN Rodgers & Co (1924) 41 RPC 277 ***(refd)***
Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories AIR 1965 SC 980 ***(refd)***
Kodiak Trade Mark [1990] FSR 49 ***(refd)***
LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd [2012] 3 CLJ 661 FC ***(refd)***
Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2) [2012] 10 CLJ 507 HC ***(refd)***
Parker Knoll Ltd v. Knoll International Limited [1962] RPC 265 ***(refd)***
Reckitt & Colman Products Limited v. Borden Inc & Others [1990] RPC 341 ***(refd)***
Rhone and Another v. Stephens (Executive of May Ellen Barnard, Decd) [1994] 2 AC 310 ***(refd)***
Saville Perfumery Ltd v. June Perfect Ld and FW Woolworth & Co Ld [1941] RPC 147, HL ***(refd)***
Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(refd)***
Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors [2004] 3 CLJ 815 CA ***(refd)***
SV Beverages Holdings Sdn Bhd & Ors v. Kickapoo (Malaysia) Sdn Bhd [2008] 4 CLJ 20 CA ***(refd)***
Teofani & Co Ld v. A Teofani (1913) 30 RPC 76 ***(refd)***
The Commissioners of Inland Revenue v. Muller & Co's Margarine Limited [1901] AC 217 ***(refd)***
The Dunlop Pneumatic Tyre Co Ltd v. The Dunlop Lubricant Co (1899) 16 RPC 12 ***(refd)***
Tolhurst v. The Associated Portland Cement Manufacturers (1900), Limited [1902] 2 KB 660 ***(refd)***
Wagamama Ltd v. City Centre Restaurants Plc [1995] FSR 713 ***(refd)***
Walton International Ltd v. Yong Teng Hing; Pendaftar Cap Dagangan, Malaysia (Interested Party) [2010] 8 CLJ 802 CA ***(refd)***
William Grant and Sons Limited and Others v. Glen Catrine Bonded Warehouse Limited and Others 2001 Scot (D) 23/5) ***(refd)***
Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor [2011] 1 LNS 1307 CA ***(refd)***
Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd [2012] 6 CLJ 337 FC ***(refd)***

Legislation referred to:
Evidence Act 1950, ss. 61, 65(1)(c)
Trade Descriptions Act 1972, s. 16(1)(a), (b)
Trade Marks Act 1976, ss. 3(1), 14(1)(a), (b), 25(1), 37(c), 38(1), 45(1), 46(1)(a)
Trade Marks Regulations 1997, reg. 75

Trade Marks Act 1955 [Aus], s. 28(d)

For the plaintiff - Micheal CM Soo, Lee Lin Li & Lawrence Tan; M/s Shook Lin & Bok
For the defendant - SF Wong, S Indran & Ameet Kaur Purba; M/s Shearn Delamore & Co

Reported by Suhainah Wahiduddin

JUDGMENT

Umi Kalthum Abdul Majid JCA:

The Claim

[1] The plaintiff's claims in the main are as follows:

(a) an injunction to restrain the defendant, its directors, officers, servants etc. from doing the following acts:

(i) infringing or attempting to infringe the FBK marks by manufacturing, importing, exporting, distributing, selling and/or offering for sole disc pads, bonded shoes, truck lining and clutch facing bearing the FBK marks and/or any mark that is identical with or confusingly or deceptively similar to the FBK marks including the infringing marks;

(ii) passing off or attempting to pass off or causing, enabling or assisting others to pass off disc pads, bonded shoes, truck lining and clutch facing of the defendant as and for the plaintiff's goods;

(iii) manufacturing, importing, distributing, selling and/or offering for sale disc pads, bonded shoes, truck living and clutch facing bearing the FBK marks and/or any mark that is identical with or confusingly or deceptively similar to the FBK marks including the infringing marks which acts are calculated to deceive and would lead the innocent purchasing public into a false supposition and belief that the defendant's offending and infringing disc pads, bonded shoes, truck lining and clutch facing are equally symbolic of the plaintiff's disc pads, bonded shoes, truck lining and clutch facing;

(b) an order directing the defendant within seven days upon being served with a copy of the court's order, to deliver up to the plaintiff or its solicitors all disc pads, bonded shoes, truck linings and clutch facing bearing the infringing marks in their possession, custody, control or power and the defendant be directed to affirm an affidavit verifying that

they no longer have such goods in their possession, custody, control or power; and at the same time serve a copy thereof on the plaintiff's solicitors;

(c) an order directing the defendant to forthwith give full discovery of all relevant documents including shipping documents, bills of lading, insurance policies etc. relating to the to the acquisition, importation, exportation, manufacture, purchase, distribution and/or sales of the defendant's infringing disc pads, bonded shoes, truck lining and or clutch facing bearing the infringing marks and the defendant be directed within seven days of the of the court's order to affirm an affidavit exhibiting thereto copies of all the said documents and at the same time serve a copy thereof on the plaintiff's solicitors;

(d) an order directing the defendant to forthwith destroy or cause to be destroyed all packaging materials, stationery, printed matters, letterheads etc. bearing the infringing marks in the possession, control, custody or power of the defendant, its servants of agents, and to file an affidavit confirming that they no longer have in their possession, custody or power any of the said printed matters and materials and at the same time serve a copy thereof on the plaintiff's solicitors;

(e) an enquiry as to damages in respect of the defendant's acts of infringement and/or passing off or at the plaintiff's option, an account of profits and payment by the defendant to the plaintiff of all sums due upon taking such enquiry or account together with interest thereon;

(f) exemplary damages;

(g) a declaration that trade mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 and all trade mark registrations which consist of the letters "FBK" registered in the name of the defendant are entries made in the Register without sufficient cause and/or are entries wrongfully remaining in the Register;

(h) an order to rectify the Register by expunging therefrom trade mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 and all trade mark registrations which consist of the letters "FBK" registered in the name of the defendant;

(i) an order that the Registrar, upon being served with a copy of the order do rectify the Register by expunging trade mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 and all trade mark registrations which consist of the letters "FBK" registered in the name of the defendant with immediate effect:

(j) a declaration that the plaintiff is the rightful proprietor of the FBK marks;

(k) an injunction to restrain the defendant from carrying on business under the name FBK and/or from using FBK or any name which is confusingly similar thereto on its sign boards, printed materials, advertising materials and stationery;

(l) an order directing the defendant to change its company registration name by deleting and removing the letters "FBK" as part of its company registration name within 30 days of being served with a copy of the court's order;

(m) an order directing the Registrar of Companies to direct the defendant to change its company registration name by deleting and removing the letter "FBK" as part of its company registration name within 30 days of being served with a copy of the court's order.

The Counterclaim

[2] The defendant in its defence and counterclaim denies that it is liable for the trade mark infringement and/or passing off of the plaintiff's alleged trade marks. The defendant in turn counterclaims against the defendant the following reliefs:

(a) a declaration that the plaintiff's invalid FBK Trade Marks (Trade Mark Registration Nos. 95004203 and 0013891) in Class 12 in the name of the plaintiff are trade marks that are not distinctive of the goods of the plaintiff;

(b) a declaration that the plaintiff's invalid FBK Trade Marks (Trade Mark Registration Nos. 95004203 and 00013891) in Class 12 in the name of the plaintiff are entries made in the Register without sufficient cause and/or an entry wrongfully remaining in the Register;

(c) an order that the plaintiff's invalid FBK Trade Marks (Trade Mark Registration Nos. 95004203 and 00013891) in Class 12 in the name of the plaintiff be expunged and removed from the Trade Marks Register in Malaysia;

(d) in the event that order (c) above is granted, a further consequential/ order that a sealed copy of the court's order he served on the Registrar of Trade Marks, in accordance with reg. 75 of the Trade Marks Regulations 1997 and that the Registrar of Trade Marks be directed that the necessary steps be taken to expunge the plaintiff's invalid FBK (Trade Mark Registration Nos. 95004203 and 00013891) from the Trade Marks Register and thereafter cause such fact of expunction to be published in the *Gazette*.

Facts

[3] The parties have agreed to the following facts (encl. 9):

(a) the plaintiff is a company incorporated under the laws of Malaysia with its registered address at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 52900 Kuala Lumpur, Wilayah Persekutuan;

(b) the plaintiff is carrying on business as manufacturer and seller of, amongst others, disc pads, bonded shoes and truck linings in Malaysia and other countries including Saudi Arabia, Yemen Turkey, Russia, Portugal and New Zealand. Disc pads, bonded shoes and truck linings are also known as brake pads, brake shoes and brake linings respectively;

(c) FBK Automotive Components (Malaysia) Sdn Bhd ("FBKAC"), the plaintiff's predecessor in title, had been registered as the proprietor of the FBK mark *via* Trade Mark Registration Nos. 95004203 for "disc pads, brake linings, bonded shoes, clutch facings; all included in Class 12" and the FBK mark *via* Trade Mark Registration No. 00013891 for "disc pad, bonded shoe, truck lining and clutch facing; all included in Class 12", the validity and ownership of which are being challenged by the defendant;

(d) FBKAC was previously known as MK Kashiyama Sdn Bhd from 12 December 1990 until 15 July 1998;

(e) the assignment of the plaintiff's alleged trade marks by way of the deed of assignment dated 10 March 2011 ("deed of assignment") and the recordal thereof are being challenged by the defendant;

(f) the defendant is a company incorporated on 5 February 1996 under the laws of Malaysia with its registered address at 33-1, Jalan 4-93, Off Jalan Lombong, Taman Miharja, 2 1/2 Mile, Jalan Cheras, 55200 Kuala Lumpur, Wilayah Persekutuan. The defendant has a business address at PT 5815, Jalan Padang Gajah, Kawasan Perindustrian Tambak Jawa, 45800 Mukim Jeram, Selangor.

(g) the defendant is in the business of manufacturing and trading of automotive components such as brake parts including brake pads, brake shoes and brake linings;

(h) without admitting the contents of the warnings notice published by the plaintiff, the plaintiff on 5 May 2011 caused to be published in The Star and Sin Chew Jit Poh a notice warning ("warning notice") the members of the trade and the public on the unauthorised use of the plaintiff's alleged trade marks. The warning notice also contained a list of the plaintiff's authorised dealers;

(i) at all material times, the defendant has been manufacturing, distributing, selling and offering for sale disc pad, brake pads, brake linings and bonded shoe bearing the letters FBK as shown in Schedule 2 of the statement of claim ("the defendant's alleged marks") and the packaging and/or trade dress as set out under Types 1, 2 and 3 para. 14 of the amended statement of defence and counterclaim dated 1 November 2012 ("the defendant's alleged packaging and or trade dress")

(j) at all material times, the defendant's alleged marks are used beside the defendant's company name on the defendant's alleged packaging and/or trade dress;

(k) the plaintiff was granted a trade description order dated 21 February 2012 ("TDO") which declared that the use or application of the FBK trade marks as depicted in the Schedule to the TDO or any other mark which is identical with or so nearly resembling them as are likely to deceive and cause confusion, whether printed, affixed, labelled or appearing in any material form, by any person, firm or company in connection with disc pads, brake linings, truck linings, bonded shoes and clutch facings which are not manufactured, distributed, sold or authorised to be so dealt with by the plaintiff shall be declared a false trade description within the meaning of s. 16(1)(a) and/or s. 16(1)(b) of the Trade Description Act 1972 ("Trade Descriptions Act");

(l) the TDO was set aside by the Court of Appeal on the ground that the TDO did not specifically identify the infringing marks. The Court of Appeal did not consider the other grounds of appeal raised by the defendant in its appeal. There is no appeal against the decision of the Court of Appeal.

(m) the defendant has used the letter "FBK" as part of its company name.

Cancellation Of Defendant's Registration In Class 16

(n) the defendant is the registered proprietor of the following trade mark registrations in Class 16, the validity and ownership of which are being challenged by the plaintiff:

No.	Registration No.	Trade Mark	Specification of Goods
1.	07021060	FBK BRAKE SHOE	Paper, cardboard and goods made from these materials, and plastic materials for packaging; all included in Class 16.
2.	07021061	FBK BRAKE SHOE	Paper, cardboard and goods made from these materials, and plastic materials for packaging; all included in Class 16.

3.	07021062	FBK BRAKE PADS	Paper, cardboard and goods made from these materials, and plastic materials for packaging; all included in Class 16.
4.	07021064	FBK BRAKE SHOE	Paper, cardboard and goods made from these materials, and plastic materials for packaging; all included in Class 16.

(o) the defendant had previously filed trade mark applications for the following marks in Class 12 for, amongst other, disc pads, bonded shoes, brake linings and clutch facings:

No.	Trade Mark	Application No.	Date of Application
1.		05010513	30.6.2005
2.		03002258	27.2.2003
3.		03001714	17.2.2003

(p) without admitting to the validity of the objections raised by the Registrar of Trade Marks, the Registrar of Trade Marks had objected to the three applications in Class 12 on the ground that the marks are confusingly and deceptively similar to the plaintiff's alleged trade marks;

(q) the three applications in Class 12 were abandoned by the defendant due to its failure to respond to the letters of objection issued by the Registrar of Trade Marks.

The Plaintiff's Case

[4] The plaintiff's case is a follows.

(a) as stated earlier, the plaintiff is carrying on business as manufacturer and seller of, amongst other, disc pads, bonded shoes and truck linings in Malaysia and other countries.

(b) FBKAC, the plaintiff's predecessor in little, had been registered as the proprietor of the FBK mark *via* Trade Mark Registration No. 95004203 for "disc pads, brake linings, bonded shoes, clutch facings; all included in Class 12"; and the FBK mark *via* Trade Mark Registration No. 00013891 for "disc pad, bonded shoe, truck lining and clutch facing; all included in Class 12" ("the FBK marks").

(c) by the deed of assignment dated 10 March 2011, FBKAC had assigned all the property, rights, title and interest in the FBK marks to the plaintiff together with the goodwill of the business relating to the goods on respect of which the FBK marks are registered. The plaintiff had been recorded as the proprietor of the FBK marks.

(d) FBKAC had been using the FBK marks in respect of the said goods since at least 1992. The plaintiff has been using the FBK marks in respect of the said goods since 21 January 2011.

(e) by using and making known through extensive advertising and promotion and/or sales of the said goods bearing the FBK marks, the FBK marks have come to be associated with or identified by members of the trade and business in Malaysia with the trade and business of the plaintiff and/or its predecessor in title. The plaintiff and/or its predecessor in title have acquired a proprietary right in the reputation and goodwill, and are thus entitled to an exclusive right thereof in connection and association with the FBK marks.

(f) a person in Malaysia or other countries around the world seeking to purchase or seeing the said goods bearing the FBK marks would associate such goods with the business of the plaintiff and/or its predecessor in title. The use of the FBK marks in connection with the said goods denotes a particular source of origin and quality as manufactured, distributed, sold and/or offered by, or the goods are in some way associated or connected with, the plaintiff or its predecessor in title.

Trade Mark Infringement And Passing Off

(g) at all material times, the defendant has, without the licence or authority of the plaintiff, imported, manufactured, distributed, sold or offered for sale the said goods bearing trade marks which are identical with or confusingly/deceptively similar to the FBK marks ("the infringing marks") in Malaysia, without the consent or authority of the plaintiff (see Schedule 2 of the statement of claim).

(h) the aforesaid offending acts of the defendant are acts of infringement and/or passing off of their goods as and for the goods of the plaintiff.

Passing Off As To Identity Or Business Connection

(i) at all material times, the defendant has, without the licence or authority of the plaintiff, used the letters "FBK" as part of the defendant's company name ("offending name").

(j) by using "FBK" as part of its company name, the defendant had misrepresented and intentionally continues to misrepresent to members of the trade and the public that the defendant's business is that of the

plaintiff or is connected or associated with that of the plaintiff. This false suggestion would or would likely damage the reputation and goodwill of the plaintiff's business.

(k) the aforesaid acts of the defendant are acts of passing off the defendant's business as and for the plaintiff's business.

Rectification Of Defendant's Registration In Class 16

(l) without admitting to the validity of the registrations, the defendant is the registered proprietor of Trade Mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 in Class 16 ("Class 16 registrations").

(m) the Class 16 registrations are entries made in the Register of Trade Marks without sufficient cause and/or are entries wrongfully remaining in the Register within the meaning of s. 45(1) of the Trade Marks Act 1976 ("the Act") for, amongst others, the following reasons:

(i) the defendant is not in the business of manufacturing or selling "paper, cardboard and goods made from these materials, and plastics and materials for packaging";

(ii) accordingly, the applications to register the marks in trade mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 are unlawful, a sham and were made in bad faith with the intention of misappropriating the plaintiff's goodwill and reputation in its business generated through extensive use of the FBK marks;

(iii) there has been no *bona fide* use of the marks in the Class 16 registrations upon the goods to which the marks are registered.

(n) there has been no *bona fide* use of the marks in the Class 16 registrations upon the goods to which the marks are registered within the meaning of s. 46(1) of the Act.

(o) hence, the plaintiff prays for its claims be allowed.

The Defendant's Case

[5] The defendant's case is as follows.

(a) the defendant is in the business of manufacturing and trading of automotive components such as brake parts including brake pads, brake shoes and brake linings.

(b) the defendant contends that it is not liable for the infringement and/or passing off of the plaintiff's alleged trade marks/FBK marks nor has it misrepresented to members of the trade and public that the defendant's business is that of the plaintiff or is connected or associated with that of the plaintiff by using the letters "FBK" as part of its company name for the following reasons:

(i) the defendant avers that the defendant started trading in the said goods through its predecessor, FBK Auto Spare Parts Industries ("FBKASPI"), in 1995 and by the defendant since its incorporation in 1996. The defendant and/or its predecessor has since used its FBK Trade Marks as set out in Schedule 2 of the statement of claim ("the defendant's alleged marks") in connection with the manufacturing, distributing, selling and offering for sale disc pads, brake pads, brake linings and bonded shoes and has been continuously doing so until now. The substantial, consistent and continuous use of the defendant's alleged infringing marks are well known to the trade and public in Malaysia;

(ii) the plaintiff and the plaintiff's alleged predecessor in title despite them being well aware of the defendant and the defendant's alleged marks have never objected to the use of the defendant's name, its predecessor FBKASPI's name or the defendant's use of the letters "FBK" as the defendant's alleged marks until the plaintiff's application for a Trade Description Order ("TDO") in the High Court. The TDO was applied for the plaintiff more than 15 years after the time the defendant commenced the use of the letters "FBK" as the defendant's alleged marks on the said goods and its trade name;

(iii) for reasons set out above, the plaintiff and the plaintiff's alleged predecessor's in title have given their implied consent and acquiesced to the use of the letters "FBK" as a trade name and as the defendant's alleged marks and is thus estopped from challenging any use of the defendant's alleged marks and trade name; and

(iv) the plaintiff is not the lawful proprietor of the FBK marks. The defendant avers that the deed of assignment dated 10 March 2011 is invalid and bad in law and is ineffective in transferring any proprietary rights in the registered FBK marks to the plaintiff. As a consequence the subsequent recordal of the invalid assignment of the plaintiff's FBK marks with the Registrar of Trade Mark is an entry made in the Register without sufficient cause and/or is an entry wrongfully remaining on the Register.

(c) the defendant avers that the plaintiff is not a person aggrieved in law and hence has no *locus standi* to bring any cancellation action against the defendant's Class 16 Trade Mark Registration be it pursuant to s. 45(1) or 46(1) of the Act.

(d) the defendant avers that the plaintiff's claim to cancel the defendant's Class 16 Trade Mark Registrations within the meaning of s. 46(1) of the Act is misconceived in law as the term of non-use for a continuous period of three years up to one month preceding the application to cancel has yet to elapse.

The Defendant's Counterclaim

(e) the defendant's counterclaim relates to the plaintiff's FBK marks, wherein the defendant contends that the plaintiff's FBK marks are entries wrongfully entered or wrongfully remaining in the Trade Marks Register within the meaning of s. 45(1) of the Act and should therefore be cancelled.

(f) the defendant has an interest in the defendant's alleged marks and is aggrieved by the registration of the plaintiff's FBK marks.

(g) the defendant contends that by reasons stated in para. (b) above, the plaintiff's FBK marks are trade marks that are not at the commencement of these proceedings distinctive of the goods of the plaintiff and therefore offends s. 37(c) of the Act.

Issues To Be Tried

[6] The agreed issues to be tried are as follows:

(a) whether the defendant has infringed the plaintiff's FBK marks by way of manufacturing, sale, export, promotion and advertising brake pads, brake shoes and brake linings bearing the marks shown in Schedule 2 of the statement of claim (the defendant's alleged marks) and by using the defendant's alleged packaging and/or trade dress as set out under Types 1, 2 and 3 at para. 14 of the amended defence and counterclaim ("the defendant's packaging and/or trade dress")?

(b) whether there is passing off by the defendant by its use of the defendant's alleged marks and the defendant's packaging and/or trade dress in respect of brake pads, brake shoes and brake linings?

(c) whether there is passing off by the defendant by the use of the alphabets "FBK" as part of its company's name?

(d) whether the plaintiff is entitled to any proprietary rights whether by reason of use or devolution of title to the plaintiff's FBK marks and whether the plaintiff's FBK marks have become distinctive of the plaintiff's goods including brake pads, brake shoes and brake linings in Malaysia?

(e) in the alternative to para. (d) above, whether the plaintiff's FBK marks used upon and in relation to the goods included in the plaintiff's FBK marks are distinctive of the plaintiff?

(f) whether the defendant's Trade Mark Registration Nos. 07021060, 07021061, 07021062 and 07021064 ("defendant's Class 16 registrations") are entries made in the Register without sufficient cause or are entries wrongfully remaining on the Register of Trade Marks?

(g) whether the defendant's Class 16 registrations are applied for and registered without an intention in good faith to use them in the course of trade in relation to the goods included in the registrations and the defendant has not so used them up to the date of one month before the commencement of this action?

(h) in the alternative to para. (g) above, does the defendant's alleged use of the defendant's Class 16 registrations on the defendant's packaging and/or trade dress constitute use in good faith of the defendant's Class 16 registrations in accordance with the requirements of the Act?

(i) in the further alternative, is the defendant's alleged use of the defendant's Class 16 registrations on the defendant's catalogues, pamphlets, brochures, promotional materials, folders, t-shirts, letterheads, diaries, pens, business cards and file covers in relation to the defendant's packaging and trade dress and in connection with their manufacture and sales of brake pads, brake shoes and brake linings amongst others tantamount to use in good faith of the defendant's Class 16 registrations in the course of trade in accordance with the requirements of the Act;

(j) whether the defendant is in the business of manufacturing or selling paper, cardboard, and goods made from these materials, and plastics and materials for packaging as merchandise or goods in the ordinary course of business?

(k) whether the defendant has a grievance cognisable in law to have the plaintiff's FBK marks expunged from the Register of Trade Marks?

(l) whether the plaintiff acquiesced or consented to the defendant's and its predecessor's alleged use of the defendant's alleged marks in relation to brake pads, brake shoes and brake linings in the course of trade?

(m) whether the defendant is entitled to rely on the defences of delay, laches and estoppel and hence the plaintiff is disentitled to bring this action against the defendant?

(n) whether the defendant is legally entitled under common law by reason of use or devolution of title to the proprietorship of the defendant's alleged marks and/or the defendant's packaging and/or trade dress singularly and/or as a composite indicator of the defendant's Class 16 goods and goods such as brake pads, brake shoes and brake linings?

(o) whether the goodwill and reputation in the business of brake pads, brake shoes, brake and clutch linings bearing the defendant's alleged marks previously allegedly used by FBKASPI had devolved to and is legally transferred to and is acquired by the defendant?

(p) whether the alphabets "FBK" are distinctive of the plaintiff's trade and business in brake pads, brake shoes and brake linings?

(q) whether the deed of assignment dated 10 March 2011 is invalid and bad in law and is ineffective in transferring any proprietary rights in the registered marks 95004203 and 00013891 to the plaintiff? A

(r) in the event para. (q) above is answered in the affirmative, whether the recordal of the assignment of the plaintiff's marks on the Register of Trade Marks is on entry made in the Register without sufficient cause and/or is an entry wrongfully remaining on the Register? B

(s) whether the plaintiff has suffered loss and damage by reason of the defendant's alleged acts of infringement and passing off?

Background C

[7] To better understand the factual matrix of this case, a brief history of the creation and use of the plaintiff's FBK marks is needed and which are as follows:

(a) the FBK marks were created by Tee Eng Hak ("SP9") in or about 1983. He was inspired by the words "Friction Brake King". D

(b) SP9 used the FBK marks as part of the name of the plaintiff's predecessor in little, namely, FBK Auto Industry Sdn Bhd, which was a company incorporated on 18 June 1983.

(c) FBK Auto Industry Sdn Bhd had used the FBK marks on bonded (brake) shoes since the company commenced business in 1983. Subsequently, in 1988, the company applied the FBK marks to all its goods, including bonded (brake) shoes, disc pads and truck lining. E

(d) in 1985, SP9 set up Lek Motor Industries Sdn Bhd, which was the marketing and distribution arm for FBK Auto Industry Sdn Bhd. Lek Motor Industries Sdn Bhd then changed its name to Lek Consolidated Sdn Bhd on 21 February 1995 and later to Lek Consolidated Berhad on 18 August 1997 ("Lek"). F

(e) in April 1988, FBK Auto Industry Sdn Bhd entered into a joint venture with MK Kashiyama Corp, Japan to introduce disc brake pads, and on 12 December 1990, FBK Auto Industry Sdn Bhd changed its name to MK Kashiyama (Malaysia) Sdn Bhd. The legal and beneficial rights in the FBK marks remained with MK Kashiyama (Malaysia) Sdn Bhd as it was the same legal entity as FBK Auto Industry Sdn Bhd. G H

(f) MK Kashiyama (Malaysia) Sdn Bhd had, amongst others, manufactured, supplied, distributed and/or sold bonded (brake) shoes and disc brake pads in Malaysia bearing the FBK marks through Lek Motor Industries Sdn Bhd.

(g) after ten years, and for commercial reasons, MK Kashiyama Corp, Japan and SP9 decided to end the joint venture. MK Kashiyama (Malaysia) Sdn Bhd then changed its name to FBK Automative Components (Malaysia) Sdn Bhd ("FBKAC") on 16 July 1998. I

(h) by way of the deed of assignment dated 10 March 2011, FBKAC, the plaintiff's predecessor in little, had assigned all the property, rights, title and interests in the FBK marks to the plaintiff together with the goodwill of the business relating to the goods in respect of which the FBK marks are registered. The plaintiff has been recorded as the proprietor of the FBK marks.

Trade Mark Infringement (Issues 6(a), 6(d), 6(e))

[8] The relevant part of s. 38(1) of the Act provides as follows:

> Infringement of a trade mark
>
> 38.(1) A registered trade mark infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:
>
> (a) as being use as a trade mark;
>
> (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or
>
> ...

[9] It was stated by Low Hop Bing J (as he then was), at pp. 728-729 in *Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2)* [2012] 10 CLJ 507; [2009] 5MLJ 703, as follows:

> [84] In order to succeed in this cause of action, it is incumbent upon the plaintiff to prove that:
>
> (a) the defendant is neither the registered proprietor nor the registered user of the trademark;
>
> (b) the defendant used a mark identical with or so nearly resembling the plaintiff's registered trademark as it likely to deceive or cause confusion;
>
> (c) the defendant was using the offending mark in the course of trade;
>
> (d) the defendant was using the offending mark in relation to goods or service within the scope of the registration; and
>
> (e) the defendant used the offending mark in such a manner as to render the use likely to be taken either as being used as a trademark or as importing a reference to the registered proprietor or to registered user or to their goods or services.

[10] The following facts are not disputed: A

(a) the defendant is neither the registered proprietor nor the registered user of the plaintiff's FBK marks;

(b) the defendant's alleged marks are being used in the course of trade upon brake pads and brake shoes; B

(c) brake pads and brake shoes are goods within the scope of registration of the plaintiff's FBK marks; and

(d) the defendant's alleged trade marks were also being used in such a manner as to render the use to be taken as being used as a trade mark, namely, use on the defendant's brake pads and brake shoes, packaging brochures, websites and catalogues for the same brake pads and brake shoes. C

[11] It is the plaintiff's submission that the defendant has never denied and had in fact admitted to using the marks which are identical to the plaintiff's FBK marks, namely, marks consisting of the alphabets "FBK". This is evident from Pua Yu Len's (SD1) evidence-in-chief and the defendant's goods, packaging, brochures, websites and catalogues for brake pads and brake shoes. D

[12] However, in order to defend itself against the plaintiff's claim for trade mark infringement and passing off, the defendant contended that it had always used the mark "FBK" together with three types of trade dress which the defendant alleges distinguishes it from the plaintiff's goods. Based on the authorities of *Saville Perfumery Ltd v. June Perfect Ld and FW Woolworth & Co Ld* [1941] RPC 147, HL, *Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* AIR 1965 SC 980; *Sinma Medical Products (M) Sdn Bhd v. Yomeishu Seizo Co Ltd & Ors* [2004] 3 CLJ 815; [2004] 4 MLJ 358, CA, amongst others, it was submitted by the plaintiff that the defendant's action nevertheless amounts to trade mark infringement as once there is an absolute copy of the registered trade mark no evidence at all is needed as the thing speaks for itself. E F G

[13] Reference was made, for instance, to what Viscount Maugham said at p. 174 in *Saville Perfumery* (*supra*):

> I will deal first with the question of infringement of trade mark. Now as the Master of Rolls pointed out, it is true that on a careful reading of the printed matter used in connection with the shampoo powder and the lipstick it appears that the origin of the goods to indicate which the word "June" is used, is either the June Hair Curler Co or June Perfect Ld. "But", as he then pointed out, "this circumstance, relevant though it may be upon the question of passing-off, is immaterial upon the question of infringement. *In an infringement action, once it is found that the Defendant's mark is used as a trade mark, the fact that he makes it clear that the commercial origin of the goods indicated by the trade mark is some business other than that of the plaintiff, avails him nothing, since infringement consists in using the mark as a trade mark, that is, as indicating any origin*". (emphasis added) H I

and per Sir Wilfrid Greene MR at p. 161 in the same case as follows:

> … the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. (emphasis added)

In *Kaviraj Pandit Durga Dutt Sharma* (*supra*) the Indian Supreme Court held:

> … In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's right are violated. *Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial*; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.
>
> (29) When once the use by the defendant of the mark which is claimed to infringe the plaintiff's mark is shown to be "in the course of trade", the question whether there has been an infringement is to be decided by comparison of the two marks. **Where the two marks are identical no further questions arise; for then the infringement is made out**.
>
> (emphasis added)

The judgment of Sir Wilfrid Greene MR was followed by the Court of Appeal in *Sinma Medical Products (M) Sdn Bhd* (*supra*) where Nik Hashim, JCA in delivering judgment of the Court of Appeal said at p. 826 (CLJ); p. 367 (MLJ) as follows:

> [23] Sir Wilfrid Green M.R. in *Saville perfumery Ltd v. June Perfect Ltd and FW Woolworth & Co Ltd* (1941) 58 RPC 147 at pp. 161 and 162 explained the law relating to infringement of trade marks and it differences and similarities with passing off:
>
> > *The statute law relating to the infringement of trade marks is based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1), it is concerned only with one method of passing off, namely the use of trade mark (2), the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from the those of the registered proprietor*. Accordingly, in considering the question on infringement the courts have held and it is now expressly provided by the Trade Marks, 1938, Section 4, that infringement takes place not merely by exact imitation, but by the use of a mark so nearly resembling the registered mark as to be likely deceive … (emphasis added)

[14] In view of the undisputed facts referred to earlier (para. 10 above), the admission by the defendant that it has used the marks which are identical to the plaintiff's FBK Marks and on the authorities cited, I find that the plaintiff is successful in proving that the defendant has infringed the plaintiff's FBK marks under the provisions of s. 38(1) of the Act.

[15] With regard to issue 6(d) above, it is to be read together with my finding that the deed of assignment is valid under issue 6(q) below.

Passing Off (Issue 6(b), 6(s))

[16] The principles pertaining to passing off were laid down by the House of Lords in *Reckitt & Colman Products Limited v. Borden Inc & Others* [1990] RPC 341 where Lord Oliver of Aylmerton summarised the principles at p. 406 as follows:

(a) the plaintiff must establish goodwill or reputation attached to the goods he supplies to the purchasing public;

(b) misrepresentation made by the defendant to the public leading or likely to lead the public to believe that goods offered by him are the goods of the plaintiff; and

(c) the plaintiff must demonstrate that he suffers or is likely to suffer damage by reason of the erroneous belief engendered by the misrepresentation.

[17] *Reckitt & Colman Products* (*supra*) has been approved and followed by our courts, notably by the Court of Appeal in *Sinma Medical Products (M) Sdn Bhd* (*supra*) and *Yong Sze Fun & Anor v. Syarikat Zamani Hj Tamin Sdn Bhd & Anor* [2011] 1 LNS 1307; [2012] 1 MLJ 585.

Plaintiff's Goodwill And Reputation

[18] It is the plaintiff's contention that it has acquired goodwill and reputation in respect of the plaintiff's FBK marks in connection with brake shoes, brake pads and truck lining in, amongst other, Malaysia, Saudi Arabia, Yemen, Turkey, Russia, Portugal and New Zealand as a consequence of extensive sales, use and promotion of the plaintiff's FBK marks. That the plaintiff's predecessor in title was the first user of the marks in Malaysia and the plaintiff and its predecessor in title have been continuously using the plaintiff's FBK marks as seen in the following evidence adduced by the plaintiff in court:

(a) SP9, the founder of the plaintiff's predecessor in title (FBK Auto Industry Sdn Bhd) testified that he created the FBK mark and used it as part of the company's name of the plaintiff's predecessor in title, which was incorporated on 18 June 1983. SP9 testified that the said company had used the FBK mark on brake shoes since the company commenced business in 1983 and on brake pads and truck lining since 1988 (Q&A3, P10). This evidence was not challenged by the defendant;

(b) SP9 testified that the plaintiff's FBK marks have been used continuously by the plaintiff's predecessor in title upon brake shoes, brake pads and truck linings since its incorporation in 1983 until it sold its business and assets to the plaintiff (Q&A6, 13,P10). This evidence was also not challenged by the defendant;

(c) the newspaper article published in Nanyang Siang Pau dated 3 January 1992 (pp. 219-225, C1) which gave an account of SP9's background and the history of the plaintiff's predecessor in title with a photograph of SP9 holding up and showing of boxes of bonded (brake) shoes bearing the plaintiff's FBK marks distributed and sold by MK Kashiyama (Malaysia) Sdn Bhd (Q&A 7, 8, P10). This evidence was not challenged by the defendant and was in fact admitted by the defendant at para. 8 of SD1's affidavit affirmed on 21 December 2011 (pp. 376, 428, C2);

(d) delivery order no. 10127 dated 27 February 1996 issued by Lek (p. 126, C1) and delivery note no. 153257 dated 3 January 1996 issued by the plaintiff's predecessor in title's dealer, KH Auto Supply Co (p. 7, D1) evidencing the return of bonded (brake) shoe bearing the plaintiff's FBK mark to Lek and the delivery of the replacement unit by Lek (Q&A9, P10). The existence of delivery order no. 10127 was admitted by the defendant and the contents were not challenged by the defendant;

(e) delivery note no. 4725 dated 2 January 1996 issued by the plaintiff's predecessor in title's dealer, Chin Hoe Motor Supply Sdn Bhd ("Chin Hoe Motor Supply") (p. 6, D1) evidencing the return of bonded (brake) shoe bearing the plaintiff's FBK mark to Lek (Q&A10, P10; Q&A4(1), P11). The authencity and contents of the delivery note no. 4725 was challenged by the defendant. The plaintiff's counsel submitted that this document should be admitted as evidence for the reasons given. Having read the submission on this issue, I admit this delivery note as evidence under s. 61 read together with s. 65(1)(c) of the Evidence Act 1950 (on secondary evidence) based on the testimony of SP9 and SP10. I accept SP9's evidence that he was unable to find the original delivery note as it had been lost. That due to the long passage of time and shifting of offices and factory several times and storage constraints, most of the sales documents prior to 2006 could not be located or have been disposed off by the plaintiff's predecessor in little (Q&A 23, P10). Moreover, the maker of this delivery note no. 4725, SP10, was called to testify and he had confirmed the contents of this document (Q&A 4(1), (2), P11);

(f) SP10 testified that Chin Hoe Motor Supply is and was an authorised dealer of disc pads/brake pads, brake shoes and truck linings bearing the plaintiff's FBK marks since 1984 (Q&A 3, P11). SP10 also testified that he was a manager of Chin Hoe Motor Supply from 1984 to 1991 and a director of Chin Hoe Motor Supply from 1992 till present (Q&A1, P11). This evidence was not challenged by the defendant;

(g) photographs of brake shoes and packaging bearing the plaintiff's FBK mark manufactured by the plaintiff's predecessor in title during the period 12 December 1990 to 16 June 1998 when its company name was MK Kashiyama (Malaysia) Sdn Bhd (p. 1073, D6). The brake shoe packaging in the photographs were sold to the plaintiff by Chin Hoe Motor Supply under cash sales receipt no. C300171 dated 12 March 2013 (p. 777, C4);

(h) calendar for 1998 (p. 226, C1) which SP9 testified was distributed for free by Lek at various toll centres in Malaysia at the material time (Q&A11, P10). As the defendant failed to contradict this evidence, this evidence should be treated as an admission by the defendant;

(i) random invoices and delivery notes for 2003 and 2004 (pp. 886-943, C4) and 2006 to 2010 (pp. 26-125; 127-161, C1) (Q&A22, P10) which evidence were not challenged during trial;

(j) random invoices, packing lists and bills of lading for export sales from 2002 to 2010 (pp. 944-1012, C4; Q&A25, P10) which evidence were not challenged during trial;

(k) extract from audited reports and financial statements of the plaintiff's predecessor in title for the years 1995 to 2000 and 2002 to 2005 (pp. 786-847, C4; Q&A 28, P10) which evidence were not challenged during trial;

(l) extracts from the audited reports and financial statements of the plaintiff's predecessor in title for the years 2006 to 2010 (pp. 201-218; 848-877, C4; Q&A 27, P10) also not challenged during trial;

(m) advertisement published in The Federation of Engineering and Motor Parts Traders' Association, Malaysia's 21st Anniversary Special Edition for year 2002 by plaintiff's predecessor in title on FBK disc pads/brake pads and FBK bonded brake shoe (pp. 227-228, C1; Q&A31, P10) not challenged during trial.

(n) article on the plaintiff's predecessor in title website which SP9 printed using his computer in its ordinary course of use in 2009, which was not challenged during trial;

(o) various photographs and letters showing use of the plaintiff's FBK marks at trade exhibitions held in year 2010 (pp. 232-238, C1; 783-784, C4; Q&A 33, P10) which were not challenged during trial;

(p) advertising and promotional materials such as pamphlet (pp. 239-244, C1), envelop (p. 246, C1) letterhead (p. 247, C1) showing use of the FBK marks (Q&A 3, P10) which were not challenged during trial;

(q) interview on the history and business of the plaintiff's predecessor in title by Radio Televisyen Malaysia (RTM) given by SP9 (p. 1306, D6; Q&A 35, P10) was not challenged during trial;

(r) evidence of the annual sales value of the plaintiff's good such as brake shoes, brake pads and truck linings bearing the plaintiff's FBK marks in Malaysia for 2011 and 2012 (Q&A 2, P8) and the annual export sales value of the plaintiff's goods bearing the plaintiff's FBK mark for 2011 and 2012 given by SP7 (Q&A 3, P8) which was not challenged during trial;

(s) random invoices, packing lists and bills of lading for export sales from 2011 to 2013 (pp. 162-200, C1; Q&A2, P8) which were not challenged during trial;

(t) plaintiff's predecessor in title's 2010 product catalogue (pp. 1375-1674, C6; 1675-1916, C7) and 2002 product catalogue (pp. 1111-1374, C5; Q&A37, P10) which were not challenged during trial;

(u) web pages from the plaintiff's websites (pp. 2646-2649, C11) were not challenged.

[19] Reference was then made to a few cases where the various courts have defined "goodwill". I will only refer to the Privy Council case of *The Commissioners of Inland Revenue v. Muller & Co's Margarine Limited* [1901] AC 217, which was referred to and followed by the Court of Appeal in *Yong Sze Fun & Anor* (*supra*) at p. 639, where Abdul Malik Ishak JCA (as he then was) had summarised the features of goodwill as defined by Lord Mc Naghten at pp. 223-224 as follows:

> [114] In *The Commissioners of Inland Revenue v. Muller & Co's Margarine*, Limited at pp. 223-224, Lord Mac Naghten defined 'goodwill' in this way:
>
> > What is goodwill? It is a thing very easy to describe, very difficult to define. **It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom**. It is the one thing which distinguishes an old established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or a source.
>
> [115] Four discerning features of goodwill may be listed:
>
> (a) that goodwill is the benefit added to the business **through extensive trading operations which attracts custom**;
>
> (b) that trademark or get up is the badge and *indicia* that signifies, indicates and identifies the goodwill and the business;
>
> (c) that **goodwill is created through and by means of trading activities**; and
>
> (d) that **the more extensive the trading activities are, which must necessarily include sales and promotion, the more value that would be attached to the goodwill**.
>
> (emphasis added)

[20] As the defendant has failed to contradict the evidence led by the plaintiff, it is the plaintiff's submission that the evidence referred to before this be accepted.

[21] Having carefully perused the evidence led by the plaintiff, which largely have not been challenged by the defendant, I accept the said evidence adduced as evidencing the goodwill and reputation in respect of the plaintiff's FBK marks in connection with brake shoes, brake pads and truck linings in Malaysia.

Misrepresentation

[22] In *Yong Sze Fun & Anor* (*supra*) at p. 652, Abdul Malik Ishak JCA said as follows in respect of the test of misrepresentation:

> [149] 'Misrepresentation' is a crucial ingredient in an action for passing off. To succeed, the plaintiffs must prove not only the fact of misrepresentation but additionally that the misrepresentation was material and operative. In our judgment, the plaintiffs succeeded in proving the factum of misrepresentation.
>
> [150] To sell his goods, a trader usually marks his goods in a particular way or he may adopt a particular trading style. In doing so, the trader is making a representation to his customers that his goods is worth buying. And that representation becomes a misrepresentation if the trader adopts identifying features of another trader's goods. Thus, from the facts the defendants have appropriated the plaintiff identifying features and pass off the defendants' goods as the plaintiff's.

[23] His Lordship further referred to the judgment of Lord Oliver of Alymerton in *Reckitt & Colman Products Ltd* (*supra*) at p. 653 as follows:

> [156] Lord Oliver of Alymerton in *Reckitt & Colman Products Ltd v. Borden Inc and others* at p. 888 proposed, in our view, the correct test in these fine words:
>
> > The essence of the action for passing off is a deceit practised on the public and it can be no answer, in a case where it is demonstrable that the public has been or will be deceived, that they would not have been if they had been more careful, more literate or more perspicacious. Customers have to be taken as they are found.

[24] It is submitted that the plaintiff's identifying or essential features of its goods from 2007 till present are as follows:

(a) deep yellow/orange background on its packaging;

(b) yellow background on its packaging;

(c) prominent use of FBK in blue lettering arranged diagonally across the packaging in uniform manner where the background shade or colour of the packaging is deep yellow/orange (pp. 1-2, 10, D1; p. 781, C4); and

(d) prominent use of FBK in brown lettering arranged diagonally across the packaging in uniform manner where the background shade or colour of the packaging is yellow (pp. 3-4, 11, D1; p. 782, C4).

[25] It is not disputed that the defendant uses several different packaging for its brake shoes and brake pads all of which use the letters FBK in a prominent manner. The primary identifying or essential features of the defendant's goods are as follows:

(a) deep yellow/orange background on its packaging;

(b) yellow background on its packaging;

(c) prominent use of FBK in blue lettering arranged diagonally across the packaging in uniform manner where the background shade or colour of the packaging is deep yellow/orange (pp. 711-712, C3);

(d) prominent use of FBK in brown lettering arranged diagonally across the packaging in uniform manner where the background shade or colour of the packaging is yellow (p. 710, C3).

[26] The question therefore is when comparing the marks, whether the essential or distinguishing features of the plaintiff's marks has been taken by the defendant. The Court of Appeal in *Sinma Medical Products (M) Sdn Bhd* (*supra*) at p. 367, had referred to and followed the test enunciated by Sir Wilfrid Greene MR in *Saville Perfumery Ld* (*supra*) at p. 162 as follows:

> … In such cases the mark comes to the remembered by some feature in it which strikes the eye and fixes itself in the recollection. Such features is referred to sometimes as the **distinguishing feature**, sometimes as the **essential features, of the mark**.
>
> (emphasis added)

[27] Going by the plaintiff's identifying or essential features of its goods as compared with the defendant's identifying or essential features of the defendant's goods, as alluded to above, I agree with the plaintiff's submission that the identifying features of the plaintiff's FBK marks used on the goods have been adopted by the defendant.

[28] It was further submitted that the defendant had copied the plaintiff's product numbers by printing the plaintiff's product numbers on the labels which are affixed to the packaging of the defendant's goods although the defendant's own catalogues do not use such product member. The following documents show this:

(a) the product members of plaintiff's products (previously of its predecessor in title) begin with the prefix "FK" and "FD" followed by a four or five digit number as seen in the plaintiff predecessor in title's catalogue dated 30 June 2000 at pp. 1917-2069, C8 ("plaintiff's catalogue"). "FK" and "FD" are unique to the plaintiff.

(b) the product number for the defendant's goods begin with the prefix "K", "M", or "D" followed by a four or five digit number as can be seen in the defendant's catalogue 2010 at pp. 455-754, D3 and 755-1048, D4. SD1 had confirmed in cross-examination that the defendant uses "D" to describe its products in the defendant's catalogue '02/03';

(c) although the defendant's product numbers begin with "K", "M" or "D", the labels affixed on packaging of the defendant's products are printed with plaintiff's product number as seen in the examples below:

(i) photographs of the defendant's products seized from the defendant on 20 April 2012 by the Ministry of Domestic Trade, Cooperatives and Consumerism ("the Ministry of Trade") showing use of the prefix "FK" and "FD" on the labels of the defendant's products at p. 132, D1 (where "FK 4425" is printed), p. 134, D1 (where "FD1213" is printed) and p. 135, D1 (where "FD1063M" is printed) and the corresponding product members are found in the plaintiff's catalogue at pp. 2039, 1940 and 1932, C8;

(ii) photographs of the defendant's products seized from the defendant's dealer, namely, Toyon Sdn Bhd on 20 April 2012 by the Ministry of Trade showing use of the prefix "FK" on the labels of the defendant's products at p. 157, D1 (where "FK4443" is printed), p. 158, D1 (where "FK3340" is printed), p. 159, D1 (where "FK2232" is printed) and p. 160, D1 (where "FK4430" is printed) and the corresponding product numbers are found in the plaintiff's catalogue at pp. 2041, 2031, 2014 and 2040, C8;

(iii) photographs of the defendant's products seized from the defendant's dealer namely Chico Sdn Bhd on 20 April 2012 by the Ministry of Trade showing use of the prefix "FK" on the labels of the defendant's products at p. 190, D1 ("FK6609" is printed), p. 191, D1, ("FK0022" is printed), p. 192, D1 ("FK4402" is printed), p. 194, D1 ("FK2239" is printed), p. 196, D1 ("FK6712" is printed) and p. 197, D1 ("FK1189" is printed) and the corresponding product members are found in the plaintiff's catalogue at pp. 2047, 1998, 2038, 2015, 2056 and 2009, C8;

(d) when asked for an explanation as to why the defendant used "FK" on the defendant's brake products at pp. 156-172, D1, SD1 gave an incredulous answer as follows (p. 56 NOE):

Q : Why did the Defendant use FK on the brake products on pages 156-172, D1?

A : This is based on request from our customer. If our customer wants K, we put letter K, if they want FK, we put the letter FK. We just follow the number as prescribed by our customer;

A (e) the defendant had also sought to rely on catalogues of other manufacturers of brake products in an attempt to explain that the plaintiff's product numbers are in reality commonly used by different manufacturers of brake products. These documents which appear to be extracts of catalogues are found at pp. 145-163, D8. Contrary to the B defendant's contention, the product members shown in these documents do not carry the prefix "FK" or "FD" which is unique only to the plaintiff.

[29] The defendant's FBK mark which is identical to the plaintiff's FBK marks is printed on the defendant's goods as seen in the following examples:

C (a) photographs of the FBK mark printed on the defendant's products seized on 20 April 2012 by the Ministry of Trade at pp. 58, 60, 62, 63, 65, 71, 75, 76, 79, 83, 90, 132, 137, 204, 205, 206, 207, 208, 211, 212, D1;

D (b) photographs of the FBK mark printed on the defendant's products purchased from the defendant's dealer called Evolution Genuine Parts Sdn Bhd on 30 June 2011 at p. 268, C1; p. 1307, D7;

(c) photographs of the FBK mark printed on the defendant's products purchased from the defendant's dealer called Chico Auto Supply Sdn E Bhd on 30 June 2011 at p. 275, C1; Toyon Sdn Bhd on 30 June 2011 at p. 280, C1; BMT Auto Parts Sdn Bhd on 30 June 2011 at pp. 305-306, C2; Syarikat Alat-Alat Ganti SH Sdn Bhd on 30 June 2011 at p. 1308, D7; BMT Auto Parts Sdn Bhd on 18 April 2013 at p. 1318, D7;

F (d) as the defendant did not contradict/challenge these evidence during trial, the evidence, it is submitted, should be treated as admitted by the defendant, besides being actually admitted by the defendant *vide* para. 38 of SD1's affidavit affirmed on 1 December 2011 and filed in the trade description proceedings (pp. 336-357, p. 354, C2).

G **[30]** Further, the FBK mark has been deliberately enlarged and prominently printed on the defendant's packaging, notwithstanding the defendant's contention that the "FBK" mark on the defendant's packaging is part of the defendant's company name. The enlargement of the "FBK" mark is calculated to confuse and deceive the public into thinking that the H defendant's goods originate from or are associated with the plaintiff.

[31] It is submitted that the misrepresentation by the defendant is material and operative as:

(a) the goods, namely, brake shoes and brake pads are goods which are I normally sold to the general public for use on the motor vehicles;

(b) the consumers of brake shoes and brake pads would believe that the defendant's goods are that of the plaintiff's or are associated with or originate from the plaintiff;

(c) the misrepresentation is operative in the minds of the consumer at the time of purchase as the identifying or essential features of the plaintiff's FBK marks used on the goods have been adopted by the defendant on brake pads and brake shoes, and on the packaging of the defendant's goods;

(d) SP8, SP9 and SP10 had testified that when making enquiries about the plaintiff's brake products, customers would refer to the products as FBK disc brake pads, FBK brake shoes and FBK brake lining, respectively (Q&A 13, P9; Q&A 26, P10; Q&A 7,8, P11).

[32] Evidence of actual confusion is not necessary in a passing of action. It suffices that there is likelihood of confusion among the plaintiff's prospective customers that the defendant's goods are associated with the plaintiff's goods (see *Harrods Ltd v. Harrodian School Ltd* [1996] RPC 697).

[33] The question of whether there is likelihood of deception of the public is ultimately one for the court to decide as held by Lord Hodson in *Parker Knoll Ltd v. Knoll International Limited* [1962] RPC 265 at p. 285 as follows:

> All relevant circumstances must be taken into account, and the question whether or not there is a real likelihood of deception of the public is ultimately for the court and not for the witness to decide; see *Spalding and Bros v. Gamage Ltd* (1945) 32 R.P.C. 286 per Lord Parker of Waddington: "There may, of course, be cases of so doubtful a nature that a judge cannot properly come to a conclusion without evidence directed to the print; but there can be no doubt that in a passing-off action the question whether the matter complained of is calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the judge, who looking at the documents and evidence before him, comes to his own conclusion, and to use the words of Lord Macnaghten in *Payton & Co Ltd v. Snelling, Lampard & Co Ltd* (1900) 17 R.P.C. 635, "must not surrender his own independent judgment to any witness whatever".
>
> The evidence should assist the court in reaching its conclusion, but the assistance will be of a limited nature when, as here, evidence of actual deception is not available.

[34] I have set out in quite detail the submission of the plaintiff in order to follow the evidence, documentary or otherwise, alluded to by the plaintiff as well as the arguments posed. I have carefully perused the said documentary evidence and I wholly agree with the plaintiff's submission. I, therefore, find that the plaintiff has established misrepresentation by the defendant to the public leading to or most likely to lead the public to believe that goods offered by the defendant are the plaintiff's goods.

Damage To Goodwill And Business

[35] The plaintiff submits that damage to the plaintiff's reputation and goodwill would arise in the following circumstances:

(a) the quality of the defendant's goods using the plaintiff's FBK marks is not within the plaintiff's control;

(b) by reason of injurious association or false connection with the plaintiff where none exists;

(c) by exposing the plaintiff to the risk of legal proceedings as a result of the use of the plaintiff's FBK marks by the defendant;

(d) by diversion in that instead of the plaintiff benefitting from the exclusive rights to its intellectual property rights in particular in the FBK marks, the defendant is also riding and cashing in the reputation or goodwill of the FBK marks without the plaintiff's permission.

[36] As an illustration as to what damages may result from a trade mark infringement and passing off, the case of *Wagamama Ltd v. City Centre Restaurants Plc* [1995] FSR 713 was cited. In that case, the plaintiff sued the defendant for trade mark infringement and passing off its restaurant business as the plaintiff's business under the name "RAJAMAMA". The plaintiff operated a successful restaurant under the name "WAGAMAMA". The court held that the defendant's name "RAJAMAMA" was confusingly similar to the plaintiff's name "WAGAMAMA". With regards the damage to the plaintiff resulting from the defendant's use of the name "RAJAMAMA", Laddie J, at pp. 736-737 had this to say:

> … The plaintiff's restaurant has a reputation extending for beyond the area immediately next to Streatham Street. As I have said, in this business much of the recommendation will be by word of mouth. Furthermore even those who have read about the restaurant in one or other publication-extending from Tatler at one extreme to The Face at the other-may well fail to recall the name accurately a month or two later. People who visit the defendant's restaurant on the basis of this type of recommendation may well not know that they are at wrong place. In many cases they will not have gone to WAGAMAMA either and therefore may not realise that the exotic mix of Indian food and American pzazz is not what they would get if they went to the plaintiff's restaurant. By the same token, if members of the public or restaurant reviewers come to the conclusion that the mix is not only exotic but unpleasant, the plaintiff will also suffer. That is why in the *Ewing* case, Warrington LJ. said:
>
> > [The Plaintiff] has proved that the Defendants have adopted such a name as may lead people who have dealings with the Plaintiff to believe that the Defendant's business is a branch of or associated with the Plaintiff's business. To induce the belief that my business is a branch of another mans' business may do that other man damage in all kinds of ways. The quality of the goods I sell: the kind of business I do; the credit or otherwise which I might enjoy-all those things may immensely injure the other man who is assumed wrongly to be associated with me. It is just that kind of injury which what the Defendants have done here is likely to occasion…

> In my view the risk of that sort of damage to the plaintiff in this case is very real. The plaintiff currently is riding high on a wave of popularity. Its continued success may well be dependent upon it maintaining the reputation it has for offering a new, clean and different type of culinary experience. It is not possible to assess to what extent that success will be harmed if it is associated wrongly with an American influenced curry restaurant. In my view there is a risk of significant damage to the plaintiff.

[37] Similarly, it is submitted, that the risk of damage to the plaintiff in this case is real. The extent of the harm done to the plaintiff's goodwill and reputation would be very difficult if not impossible to assess seeing that:

(a) the plaintiff has acquired substantial goodwill and reputation in brake products bearing the plaintiff's FBK marks through its trading activities and those of its predecessor in title for over 30 years;

(b) the defendant's FBK mark is identical or confusingly similar to the plaintiff's FBK marks and the defendant's goods are in direct competition with the plaintiff's goods;

(c) brake products are essential to the safely of vehicles and users and passengers of vehicles, and any defect or lack of quality would be wrongly or unfairly attributed to the plaintiff.

[38] In any case, it is submitted that it is not necessary for the plaintiff to prove that it has suffered actual damage in order to succeed in a passing off action. In *Yong Sze Fun & Anor* (*supra*), at p. 676, Abdul Malik Ishak JCA (as he then was) quoted with approval and followed the judgment of Buckly LJ in *HP Bulmer Ltd and Showerings Ltd v. J Ballinger SA and Champagne Lanson Pere Et Fils* [1978] RPC 79 where he stated:

> It is well settled that a plaintiff in a passing off action does not have to prove that he has actually suffered damage by loss of business or in any other way. A probability of damage is enough, but the actual or probable damage must be damage to him in his trade or business, that is to say, damage to his goodwill in respect of that trade or business.

[39] Moreover, in *Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Ltd* [1994] 3 CLJ 7; [1994] 2 MLJ770, the Supreme Court held at p. 15 (CLJ); p. 782 (MLJ), para. I:

> In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name.

It is submitted that in this case, the likelihood of damage is to be inferred as the goods of the plaintiff and the defendant are in direct competition with each other.

[40] Based on the submission of the plaintiff, and the authorities cited, I agree that the plaintiff has established that it would suffer or is likely to suffer damage by reason of the defendant's actions of misrepresenting its goods are associated with or originate from the same source as the plaintiff's goods.

[41] Since I have found that the plaintiff has been successful in establishing the three principles pertaining to passing off, consequently I find that there is passing off by the defendant by its use of the defendant's alleged marks and the defendant's packaging and/or trade dress in respect of brake pads, brake shoes and brake linings.

Passing Off As To Identity Or Business Connection (Issues 6(c), 6(p))

[42] The principle that it is passing off to misrepresent that one's business is that of the plaintiff or connected with that of the plaintiff in any way likely to cause damage to the plaintiff's business is stated in *Joseph Rodges & Sons Ltd v. WN Rodgers & Co* (1924) 41 RPC 277 and as quoted with approval by Lord Hodson in *Parker-Knoll Ltd v. Knoll International Ltd* (*supra*) at p. 284 as follows:

> It is the law of the land that no man is entitled to carry on his business in such a way as to represent that it is the business of another, or is in any way connected with the business of another; that is the first proposition.

[43] The plaintiff contends that by using "FBK" as part of the defendant's company name, the defendant has misrepresented to members of the trade and the public that the defendant's business is connected or associated with that of the plaintiff. That this false suggestion would or would likely to damage the reputation and goodwill of the plaintiff's business.

[44] The plaintiff's contention is borne out in the following matters:

(a) Pua Yu Len (SD1), the founder of FBK Auto Spare Parts Industries ("FBKASPI") and the defendant, was a former employee of Lek Motor Industries Sdn Bhd. He gave evidence that he had set up a company called FBK Auto Space Parts Industries on 10 October 1994 and subsequently incorporated the defendant on 5 February 1996 (Q&A6, D13; Q&A5, D13);

(b) SD1 had deliberately used "FBK" as part of FBKASPI's and the defendant's name because he claimed that the plaintiff's predecessor in title had changed its name to MK Kashiyama (Malaysia) Sdn Bhd and had changed its brand emphasis from FBK to MK Kashiyama (Q&A 14, D13). This allegation is untenable because:

(i) the defendant's allegation is nothing but a bare allegation where no documentary or corroborative oral evidence was adduced by the defendant to support his contention;

(ii) an article published in Sin Chew Jit Poh on 24 June 1991 (pp. 746-750, C3) which was relied upon by the defendant in the trade description proceeding in support of this contention, was not relied on by the defendant. Nowhere in the said article was it stated that in changing its name to MK Kashiyama (Malaysia) Sdn Bhd, the plaintiff's predecessor in title had stopped using the "FBK" mark;

(iii) the plaintiff had adduced substantial evidence to prove that the plaintiff's predecessor in title had continued to use "FBK" on its products during the period when it was known as MK Kashiyama (Malaysia) Sdn Bhd;

(c) Lek Motor Industries Sdn Bhd was the marketing arm of the plaintiff's predecessor in title and SD1 knew of its substantial goodwill and reputation in its brake products under the plaintiff's FBK marks and that the FBK marks belonged to the plaintiff's predecessor in title;

(d) an irresistible inference is that SD1 had set up FBKASPI and the defendant using "FBK" as part of its business/company name with the intention of using it as an instrument of fraud to pass off its business and goods as being connected to the plaintiff's predecessor it title, particularly in the manner in which "FBK" has been deliberately enlarged and prominently shown on the defendant's packaging.

[45] Several cases are cited to bring home this point. They are *Teofani & Co Ld v. A Teofani* (1913) 30 RPC 76; *British Legion v. British Legion Club (Street) Ld* (1931) 48 RPC 555, *Ewing (Trading as The Buttercup Daisy Company) v. Buttercup Margarine Company LD* [1917] 2 CH 1; and *The Dunlop Pneumatic Tyre Co Ltd v. The Dunlop Lubricant Co* (1899) 16 RPC 12.

[46] From the head notes in *The Dunlop Pneumatic Tyre Co Ltd*'s case (*supra*), the word "Dunlop" was first used in 1888 by the predecessors in title of the plaintiff company to designate the goods manufactured by them. Since that time the word had been in continuous use as designating such goods, which consisted of tyres, pumps, inflators and other accessories for cycles. One Joseph Peter Funt started business as the "Dunlop Lubricant Company" at various addresses in London, and dealt in oils and lubricants for cycles. On the labels under which these goods were sold the words "The Dunlop" were printed in large thick type and the names of the lubricants in smaller type. There was also on the labels a design consisting of a wheel which bore a marked resemblance to a similar device which the plaintiff used upon their letter paper. The plaintiff sued the defendant for passing off his goods as and for the goods of the plaintiff and claimed, amongst others, an injunction to restrain the defendant from carrying on business under the style of "The Dunlop Lubricant Company" or any other similar style comprising "Dunlop" calculated to deceive or mislead the public into the belief that the defendant company or business is the same company or business as or

connected to the plaintiff company. In his defence, the defendant alleged that he was in partnership with one John Francis Dunlop who had subsequently assigned "Dunlop" to him together with the goodwill of the business.

[47] In allowing the plaintiff's claim, Romer J at pp. 14-45 stated as follows:

> … I am not satisfied that the arrangement purported to be come to by the deed which has been put in was a genuine arrangement, and the conclusion I come to is that the Defendant himself chose to carry on business under the name of the Dunlop Lubricant Company because of the word "Dunlop", and because the word "Dunlop" suggested the Plaintiff Company, and for no other reason. It appears to me it would be wrong to allow him to carry on business under that name, and to describe the goods as he does as "Dunlop" goods, for that is the chief word that he uses on the covers of his goods, with regard to his burning oil and his graphite, which he sells. The word "Dunlop" is put in a very prominent way, and I am satisfied that he does that with a view of inducing customers to believe that those goods, if they are not the goods of the Plaintiffs, are goods used in some way with their sanction, or connected in some way with them, so as to get the benefit of the Plaintiffs' name. It appears to me that the Plaintiffs are entitled to say that the word "Dunlop" ought not to be allowed to be used under those circumstances with those objects by the Defendant; that it would injure them in their business very considerably if it is not stopped … and in the meantime it appears to me that they are entitled to come into Court and say that a name substantially identical with theirs ought not to be allowed to be used by the Defendant in the way in which he is using it.

[48] It is therefore contended by the plaintiff that on the facts of this case, the plaintiff's FBK marks have acquired a secondary meaning denoting the goods and business of the plaintiff in Malaysia and other countries. The use of "FBK" by the defendant as part of its company name would lead members of the trade and public to believe that the defendant's business is a branch of or associated with the plaintiff's business resulting in irreparable damage to the plaintiff's goodwill and reputation. This is exacerbated by the fact that the defendant has also applied the plaintiff's FBK marks upon its goods which was in direct competition with the plaintiff's goods.

[49] Having gone through the evidence, especially the documentary evidence, I have to agree with the plaintiff's contention. The statement by Romer J in *The Dunlop Pneumatic Tyre Co Ltd* (*supra*) case seems to reflect my sentiments that "it would be wrong to allow (the defendant) to carry on business under that name, and to describe the goods as (it) does as (FBK goods)". I therefore find that there is passing off by the defendant by its use of the alphabets "FBK" as part of its company's name, seeing that the alphabets "FBK" has become distinctive of the plaintiff's trade and business in brake pads, brake shoes and brake linings.

Alleged Estoppel By Acquiescence/Implied Consent (Issues 6(l), 6(m))

[50] These two issues are inter-related and involve the questions of whether the plaintiff has acquiesced or consented to the defendant's and its predecessor's alleged use of the defendant's alleged marks in relation to brake pads, brake shoes and brake linings in the course of trade and whether the defendant is entitled to rely on the defences of delay, laches and estoppel and hence the plaintiff is disentitled to bring this action against the defendant.

[51] The defendant's contention that it is entitled to rely on express or implied consent and estoppel by acquiescence is based on the following arguments:

(a) SP9 was aware that SD1 had started his own business and "was not happy" initially but "accepted" that SD1 was "young and ambitious" and would want a business of his own (Q&A12, D13) ("first allegation");

(b) SD1 said that in his opinion as business men, "it is only prudent that you are aware of who your competitors are" (Q&A 29, D13) ("second allegation");

(c) SD1 said that the plaintiff's predecessor in title was his uncle's (SP9) company where his father was on indirect shareholder (Q&A 29, D13) ("third allegation");

(d) SD1 alleged that Lek Motor Industries Sdn Bhd had sold raw materials to him when he started FBKASPI (Q&A 29, D13) ("fourth allegation");

(e) the defendant had participated in five automotive trade fairs in other countries which were also attended by the plaintiff's predecessor in title (Q&A 29, D3) ("fifth allegation");

(f) the plaintiff did not object to the use by the defendant of "FBK" as its company name and on its goods and that the first time the defendant was made aware of an objection was when the plaintiff filed the trade description order proceedings against the defendant (Q&A 26, 27, 28, D13) ("sixth allegation").

[52] The plaintiff contends that the first and third allegations are untenable because:

(a) apart from bare allegation, there is no evidence to show that SP9 "accepted" the incorporation of FBKASPI or the defendant using "FBK" as part of its company name;

(b) there is no evidence that the plaintiff's predecessor in title had encouraged the defendant to use "FBK" as its company name or on its goods and packaging as its trade mark;

(c) contrary to SD1's allegations, SP9 had stated unequivocally that he did not know that SD1 had ventured into business, the nature of SD1's business or the incorporation of the defendant;

(d) SP9 stated that the plaintiff's predecessor in title and its directors had never consented or authorised SD1 and/or the defendant to use the plaintiff's FBK marks or a mark which is confusingly similar thereto as part of its company name or on brake products (Q&A 19, P10);

(e) SP9 testified that he had no knowledge of the allegation that Pua See, Puan Yu Len's father, had encouraged Pua Yu Len/SD1 to establish his own auto spare parts business using FBK as part of the company's name (Q&A19, P10). It is to be noted that SD1 did not mention this allegation in his witness statement although he had raised it as a ground in support of the defendant's contention that it had the right to use the plaintiff's FBK marks in the trade description proceedings;

(f) SP9 testified that SD1's father, Pua See, is a minority shareholder and a former director of Lek Capital Sdn Bhd. Pua See did not have the power or authority to authorise his son, SD1 and/or the defendant to use the plaintiff's FBK marks which belonged to the plaintiff's predecessor in title at the material time. Lek Capital Sdn Bhd did not own any shares or have any direct interest in the plaintiff's predecessor in title. Further, SP9 testified that Pua See was never a director of the plaintiff's predecessor in title including in 1995 to 1996 when he was said to have purportedly encouraged SD1 to establish his own spare parts business using FBK as part of the company name (Q&A 19, P10);

(g) Pua See did not corroborate SD1's allegation of having given SD1 the purported encouragement. Pua See was not called as a witness although he was present in court throughout the trial. Neither did Pua See affirm any affidavit to corroborate his son's/SD1's allegation in the trade description proceedings;

(h) SP1 testified that he had, through SD1's brother, warned SD1 not to use the plaintiff's FBK marks (Q&A 19, P10).

[53] The second allegation is untenable because SP9, in cross-examination, at p. 31, notes of evidence, had explained that there are too many companies outside and they were unable to know each and every one of them. The company's duties were to take care of its own production and financial affairs as the company always lack money. At the time of disposal of the assets of FBK Automative Components (Malaysia) Sdn Bhd to the plaintiff under the Sale of Assets Agreement of 28 July 2010, their competitor in Malaysia was Min Tye.

[54] The fourth allegation is untenable because:

(a) SP1 testified that SD1 was asked to voluntarily resign from Lek Consolidated Sdn Bhd instead of being sacked as SD1 was caught stealing company property (Q&A 16, 17, P10). SD1 did not deny this allegation even though he was called as a witness;

(b) SP9 testified that he did not keep in touch with SD1 after SD1 resigned from Lek Motor Industries Sdn Bhd. He then explained why he did not see Pua Yu Len, his father and his mother after Pua Yu Len left Lek Motor Industries Sdn Bhd in 1995 as follows (p. 37, notes of evidence):

> A : At that time we were quarrelling with Pua Yu Len. The reason for quarrelling raised from Pua Yu Len has taken clutch facing from the company. My brother and Pua Yu Len having big quarrel, and my brother slapped Pua Yu Len. As a result of that Pua Yu Len left and never come back to the office. Because of this incident Pua Yu Len's parents blamed me for not siding their son and started to leave far away from me.

(c) SD1's evidence that he received assistance in the form of raw materials from Lek Motor Industries Sdn Bhd was challenged in cross-examination (p. 45, notes of evidence) and SD1 was unable to explain the inconsistency between his statement that he received assistance from Lek Motor Industries Sdn Bhd and SP9's statement that SD1 was asked to resign.

[55] The fifth allegation is untenable because:

(a) SP9 explained that during trade fairs, the plaintiff's predecessor in title's target group was the visitors who were either their existing customers or potential customers. The plaintiff's predecessor in title had concentrated its efforts on meeting with this target group as trade fairs are normally between four to six days long and it had to make the most of the time there. Therefore, it is neither surprising nor inconceivable that the plaintiff's predecessor in title was not aware of the defendant's presence at the same trade fair/fairs. Further, SP9 explained that plaintiff's predecessor in title's exhibition booth was very far away from the defendant's exhibition booth;

(b) SP9 disagreed with the suggestion that the plaintiff's predecessor in title had the catalogue of participants for the trade fairs;

(c) SD1's evidence that "Malaysian participants are placed within the same area" (Q&A 29, D13) is plainly inconsistent with the fact that location booth numbers of the plaintiff and the defendant are/were far away from each other (pp. 695-696, 699-700, 678-679, 705-706, 684-685, C3);

(d) therefore, it is nothing but a bare allegation which is unsupported by evidence that the plaintiff's predecessor in title was aware of the existence of the defendant and its business and products since as early as 2004 since the plaintiff's predecessor in title and the defendant had allegedly attended the same automotive trade fairs.

[56] The sixth allegation is untenable because SP9 had taken several steps to protect the plaintiff's predecessor in title's rights in the FBK marks after he learned of the defendant's existence and business as follows:

(a) SP9 testified that he discovered the existence of the defendant company in 2006 when he attended the international exhibition (Q&A 19, P10; p. 32 notes of evidence). Upon learning of this, SP9 went to the Registry of Trade Marks to enquire whether a company could use the plaintiff's trade marks as part of the defendant's company name. He was informed that approval of company names was handled by the Registrar of Companies and once approval is obtained, the company may use the name (Q&A 19, P10);

(b) SP9 testified that on or about 2007, he heard from his dealer that the defendant was using the FBK mark on its products. SP9 had asked SD1's younger brother, Pua Yu Leong, whether SD1 was imitating the FBK brand and was told that there was no such thing. SP9 warmed SD1 not to imitate the FBK marks through Pua Yu Leong (Q&A 19, P10);

(c) SP9 testified that sometime in 2007, he spoke to an officer at the Ministry of Trade on what action he could take against unauthorised use of the FBK mark. When SP9 explained that he did not have evidence on the unauthorised use, the officer then advised him that there was nothing he could do as he had no evidence (Q&A 19, P10).

[57] In view of the above unequivocal denial of the defendant's contentions by the plaintiff, it is the plaintiff's submission that there is no credible evidence that the plaintiff's predecessor in title had encouraged and/or acquiesced the defendant to use the "FBK" as part of its company name or on its goods and packaging as its trade mark. It is submitted that even if the plaintiff's predecessor in title was aware of the infringement, which is denied, mere delay in instituting an action after knowledge of infringement does not deprive the plaintiff of its statutory rights or appropriate remedy for the enforcement of those rights nor does it amount to acquiescence – see *Electrolux Ld v. Electrix Ld and Another* [1954] 71 RPC 23 (CA).

[58] In *Electrolux Ld*'s case, the plaintiff brought an action for infringement of the trade mark "Electrux" by the defendants' use of the mark "Electrix" in relation to vacuum cleaners. It was shown that the alleged infringing mark had been used on vacuum cleaners for many years and long before the plaintiff used its mark but not before the plaintiff's mark was

registered. It was also shown that the plaintiff had known of such use for some ten years before bringing the action. The English Court of Appeal held that there was no acquiescence. Jenkins LJ, at p. 41, said:

> In my judgment, there is really no more in this part of the case than the simple fact that the Plaintiff delayed taking proceedings to restrain the Defendants' use of "Electrix" for some years after they first became aware of such use. I will not say that there might not be a case of delay so inordinate as to make it proper for a Court to refuse relief in respect of the infringement of a trade mark, but in general mere delay after knowledge of infringement does not, in my opinion deprive the registered proprietor of a trade mark of his statutory rights or of the appropriate remedy for the enforcement of those rights; I may here refer tor the case of *Vidal Dyes Ld v. Levinstein* at p. 259, where it was clearly stated that, in the case of a patent, mere delay in enforcing rights did not affect the legal position. In the circumstances of the present case (and, in particular, the intervention of the war), I cannot hold that the delay here was of so inordinate a character as to bring this case within the possible exception to which I have adverted. Accordingly, I agree that the claim based on acquiescence fails.

[59] The *dicta* of Jenkins LJ was followed by the Court of Appeal in *SV Beverages Holdings Sdn Bhd & Ors v. Kickapoo (Malaysia) Sdn Bhd* [2008] 4 CLJ 20; [2008] 4 MLJ 187.

[60] Based on the evidence adduced in court, I find that the plaintiff has been successful in proving that there has been no acquiescence by the plaintiff for the defendant and its predecessor to use the defendant's alleged marks. I find that the plaintiff has been successful in refuting the defendant's allegations of express or implied acquiescence and I accept the plaintiff's submission on these issues. With the same token, I find that the plaintiff did not expressly nor impliedly consent to the same. Accordingly, I find that the principle of estoppel by acquiescence and/or implied consent does not apply to the plaintiff.

[61] It is perhaps convenient at this juncture for me to make certain observations on the credibility of the evidence given by SD1. I have serious doubts on his credibility as seen from the following:

(a) SD1 was unable to provide a credible answer as to why the "FBK" mark was erased from the defendant's products (p. 1309, D7, photo 5) and blanked out from the labels affixed to the defendant's products with black ink mark (pp. 198, 212, 213, D1) except to say that he did not know why the mark was erased and that it was not done by the defendant (p. 62, notes of evidence);

(b) SD1 said that he only knew about the erasure when referred to the document on 17 July 2013, although he confirmed that they had seen pp. 1307-1318, D7 a long time ago;

(c) SD1 also denied knowledge of the erasure on the purported ground that he did not inspect the defendant's goods which were seized by the Enforcement Division of the Ministry of Trade during the seizure and during the return of the goods to the defendant and its dealers, although he had signed the "Akuan Pemulangan Barang" dated 1 November 2012 (pp. 720-721, 726-736, C3);

(d) when asked to explain why all the product descriptions, drawings and other descriptions in the MK Kashiyama Corporation catalogues are also found in the defendant's catalogues, SD1 gave a wholly irrelevant answer as follows (p. 58, notes of evidence):

> A : We have sizes in the product, and we also have shapes in the product. I refer D8 an example of a Japanese company page 158, we have the specifications of the product which can also be found on page 1170, C5 of Kashiyama's catalogue.
>
> Q : Do you agree the catalogue at pages 158-162 of D8 is not the product catalogue of Kashiyama Corporation?
>
> A : I agree. This is the product catalogue of Japan JFBK Corporation.
>
> Q : Put to you you're not given any explanation why the Defendant had copied the Kashiyama product catalogue?
>
> A : We used to follow strictly their specifications and also the model number into the Defendant's catalogue;

(e) I had even noted the evasiveness of SD1's answers to the cross-examination questions posed as follows (p. 60, notes of evidence):

> Mahkamah : Witness is advised to answer the question posed and not to answer the question posed by making reference to other matters which were not asked in order to confuse the Court. This will go toward the issue of the credibility of the witness;

(f) SD1's evasive answers can further be seen when he was cross-examined on whether the defendant had obtained E-mark registration for its products, as follows (p. 48, notes of evidence):

> Q : Have you heard of E-mark registrations?
>
> A : I've never heard about E-mark registrations.

And yet when he was shown the defendant's brochures (pp. 716-719, C3) on use by the defendant of the E-mark registrations, SD1 then said:

> Q : Why did you awhile ago said you've not heard of E-mark registration?
>
> A : I was confused just now.

When asked whether he agreed that it is misleading for the defendant to use the E-mark registration when the defendant had yet to obtain registration, SD1 answered (p. 49, notes of evidence) as follows:

A : I don't know about this.

[62] On the other hand, I find the testimony of SP9 to be more straight forward and credible.

Validity Of Assignment (Issue 6(q))

[63] It was the defendant's contention that:

(a) the assignment under the deed of assignment is ineffective because the assets (including goodwill and trade marks) sold under the sale of assets agreement dated 28 July 2010 ("sale of assets agreement") were free from encumbrances;

(b) such an assignment is "incomplete" and would result in there being more than one person having the right under common law or registration to use the same or similar mark; and

(c) since the goodwill is inseparable from the business, it would follow that if the liabilities were not transferred with the assets, the entire business could not have been transferred and hence the goodwill was also not transferred.

[64] It is the plaintiff's submission that assignment of the plaintiff's FBK marks together with the goodwill of the business by way of the deed of assignment is valid. The defendant's contention that the assignment is not valid is based on the defendant's allegation that the plaintiff's predecessor on title had acquiesced or impliedly consented to the use of "FBK" by the defendant, thus leading to the loss of distinctiveness of the "FBK" mark, in that the "FBK" mark no longer has the ability to function as a trade mark to indicate origin of the plaintiff's goods. It is submitted that the defendant has failed to adduce any credible evidence to establish alleged acquiescence or implied consent by the plaintiff's predecessor on title. Further, the defendant did not pray for an order to set aside the deed of assignment or the recordal of the assignment validity issued by the Registrar of Trade Marks. Moreover, even if the defendant is right in saying that the plaintiff takes the rights subject to the liabilities attached to the plaintiff's FBK marks, the defendant has failed to establish any liability attached to the plaintiff's FBK marks.

[65] It is also submitted that the purported "right" the defendant alleged it had acquired through the purported acquiescence of the plaintiff's predecessor in title is nothing more that a "licence" to pass off the defendant's goods as and for the plaintiff's predecessor in title's goods. (*William Grant and Sons Limited and Others v. Glen Catrine Bonded Warehouse Limited and Others* 2001 Scot (D) 23/5). However, the obligation of the

plaintiff's predecessor in title to grant a "licence" created by the alleged acquiescence is a contractual burden which cannot be assigned to the plaintiff without the plaintiff's consent. Reference made to the English Court of Appeal case of *Tolhurst v. The Associated Portland Cement Manufacturers (1900), Limited* [1902] 2 KB 660, where, per Collins MR, at p. 668, lines 5-19, as follows:

> It is, **I think quite clear that neither at law nor in equity could the burden of a contract be shifted off the shoulders of a contractor on to those of another without the consent of the contractee**. A debtor cannot relieve himself of his liability to his creditor by assigning the burden of the obligation to someone else; this can only be brought about by the consent of all three, and involves the release of the original debtor : see *Liversidge v. Broadbent* (1), and cases collected in the notes to *Lampleigh v. Brathwait.* (2) **On the other hand, it is equally clear that the benefit of a contract can be assigned**, and wherever the consideration has been executed and nothing more remains but to enforce the obligation against the party who has received the consideration, the tight to enforce it can be assigned, and can be put in suit by the assignee in his own name after notice ...
>
> (emphasis added)

[66] It is further submitted that such a "burden" constitutes a positive covenant which cannot in law or in equity pass to the plaintiff without the plaintiff's consent. Reference is made to *Rhone and Another v. Stephens (Executive of May Ellen Barnard, Decd)* [1994] 2 AC 310 where Lord Templeman stated at p. 318, para. A-C as follows:

> *Equity cannot compel an owner to comply with a positive covenant entered into by his predecessors in title without flatly contradicting the common law rule that a person cannot be made liable upon a contract unless he was a party to it*. Enforcement of a positive covenant lies in contract; a positive covenant compels an owner to exercise his rights ...
>
> (emphasis added)

[67] Therefore, it is argued that the positive covenant in the form of the purported "licence" given by the plaintiff's predecessor in title is not enforceable against the plaintiff by the defendant.

[68] Moreover, on the facts of this case, evidence shows that the plaintiff had no notice of the defendant's purported right to use the FBK trade marks. The plaintiff having acquired the goodwill of the business attached to the FBK trade marks for value without notice is therefore not bound by any "burden" or "liabilities".

[69] The sale of assets agreement was entered into between FBK Automotive Components (Malaysia) Sdn Bhd ("FBKAC") as the vendor and the plaintiff as the purchaser. Clause 2 of the said agreement provides as follows:

2. SALE AND PURCHASE OF THE ASSETS

2.1 Agreement

Subject to the terms and conditions of this Agreement and for the consideration Sum, the Vendor hereby agrees to sell and transfer, as legal and/or beneficial owner and the Purchaser hereby agrees to purchase the **Assets**.

2.2 Basis

The **Assets** are sold:

(a) free from all the Encumbrances as at the Completion Date;

(b) on an 'as is where is' basis and as a going concern, excluding all liabilities in respect thereof; and

(c) upon the basis that each of the Representations and Warranties as set out in Clause 15 and Schedule 6 are true and accurate in all respects.

"Assets" has been defined in cl. 1.1 as follows:

'**Assets**' means the Business and the assets of the Vendor deployed in or connected to the performance of the Business (other that the Landed Property and excludes the Inventories) including but not limited to, machineries, furniture, vehicles as more particularly listed and appended as Appendix I, and also the Equipments, **goodwill**, Systems, Data, Licences and **Intellectual Property Rights connected to the Business**;

(emphasis added)

[70] Having perused the deed of assignment, especially cl. 2.2 read with the definition of "assets" under cl. 1.1, I find that it is clear that the goodwill and the FBK marks have indeed been assigned by the owner of the FBK marks, that is, FBKAC, the plaintiff's predecessor in title, to the plaintiff. As such, I wholly agree with the submissions of the plaintiff on this issue. I therefore find the deed of assignment is valid and has successfully transferred proprietary rights in the FBK mark (95004203 and 00013891) to the plaintiff.

Rectification Of Defendant's Registrations In Class 16 (Issues 6(f), 6(g), 6(h), 6(i), 6(j), 6(n), 6(o))

[71] It is the plaintiff's contention that the defendant's trade mark registration nos. 07021060, 07021061, 07021062 and 07021064 in Class 16 ("Class 16 registrations") are entries made in the Register of Trade Marks without sufficient cause and/or are entries wrongfully remaining in the Register of Trade Marks within the meaning of s. 45(1) and s. 46(1) of the Act by reason of the fact that:

(a) the defendant is not the proprietor of FBK mark contrary to s. 25(1) of the Act;

(b) the marks in the Class 16 registrations ought not to be registered as the use of the marks is likely to deceive or cause confusion to the public or would be contrary to law under s. 14(1)(a) of the Act;

(c) the marks in the Class 16 registrations ought not to be registered as it is not entitled to the protection by any court of law under s. 14(1)(b) of the Act;

(d) the marks in the Class 16 registrations has been registered without an intention in good faith to use the marks in relation to the defendant's registered goods and there has in fact been no use in good faith of the marks in the Class 16 registrations upon "paper, cardboard and goods made from these materials, and plastics and materials for packaging" ("defendant's registered goods") within the meaning of s. 46(1)(a) of the Act;

(e) SD1 has admitted during cross-examination that the defendant did not and does not sell papers, paper products and packaging materials (p. 48, notes of evidence). This means that the defendant has admitted that it has not been using the FBK trade mark in respect of papers, paper products and packaging materials.

[72] Section 45(1) of the Act allows a "person aggrieved … by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register …" the right to apply to the court for a trade mark currently on the Register to be expunged or varied.

[73] Section 46(1)(a) of the Act empowers the court, on application by a person aggrieved, to remove or expunge a trade mark registration in respect of any goods or services for which the mark is registered under certain circumstances. In essence, the applicant is required to prove the following:

(a) the applicant is a person aggrieved by the registration;

(b) the registration was obtained without an intention in good faith to use the trade mark in relation to the goods or services; and

(c) there has in fact been no such use of the trade mark by the registered proprietor or a registered user in good faith up to one month before institution of expungement proceeding.

Person Aggrieved

[74] The plaintiff contends that it is a "person aggrieved" within the meaning of s. 45(1) and s. 46(1)(a) of the Act for the following reasons:

(a) the plaintiff's predecessor in title and the plaintiff (collectively referred to a "the plaintiff") is the common law and registered proprietor of the plaintiff's FBK marks and has acquired substantial reputation and goodwill in its business of manufacturing and selling brake products by using FBK marks for nearly 30 years;

(b) the plaintiff has been using FBK marks in relation to brake products for nearly 30 years, a date well before the defendant has allegedly commenced use of the FBK mark and at a time when SD1 was still an employee of Lek Consolidate Sdn Bhd;

(c) the defendant is using the marks in the defendant's Class 16 registrations as an instrument of fraud, namely, to trade in its brake products and not to trade in the goods, namely, papers, paper products and packaging materials. This can be seen in the defendant's response to the plaintiff's contention that the defendant had infringed and passed off its goods as and for the plaintiff's goods in the trade description order proceedings, where the defendant responded by stating that it is merely using its marks in the defendant's Class 16 registrations with SD1's consent. This shows that the defendant intends to rely on its marks in the defendant's Class 16 registrations as a defence to its continued use of the FBK marks on its brake products including the packaging and plastic materials for its goods;

(d) the manner of use of the marks in the defendant's Class 16 registrations as aforesaid described upon packaging and plastic materials by the defendant in relation to its brake products would seriously damage and injure the plaintiff in a practical way if the marks in the Class 16 registrations are allowed to remain on the register as the defendant's goods are being passed off as the plaintiff's goods and use of the FBK marks on the packaging of the defendant's goods infringes the plaintiff's trade mark registrations; and

(e) the plaintiff is not an infringer.

[75] In support of its contention, the plaintiff referred to the Federal Court case of *LB (Lian Bee) Confectionery Sdn Bhd v. QAF Ltd* [2012] 3 CLJ 661; [2012] 4 MLJ 20, where Zulkefli CJ (Malaya), in delivering the judgment of the court, said that the concept of a "person aggrieved" at p. 671 (CLJ); p. 28 (MLJ) is a follows:

> [14] …A 'person aggrieved' under s. 46(1) of the TMA need not be a person with any specific right. A 'person aggrieved' in this context may include someone with simply a *bona fide* intention to use a trademark that is registered but which has not been used by the registered proprietor or any registered user for a continuous period of not less than three years up to one month before the date of an application under s. 46(1)(b) of the TMA to expunge. On this point in the case of *Mclaren International Ltd v. Lim Yat Meen* [2009] 5 MLJ 741, Abdul Aziz Mohamad FCJ in delivering the judgment of this court had this to say:
>
> …
>
> We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark **- or who has genuine and present intention to use his mark as a**

> **trademark** - in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register. (emphasis added)

Thus a 'person aggrieved' may have no rights at all but merely a genuine intention to use a trademark that is registered but which has not been used by the registered proprietor.

And at p. 672 (CLJ); p. 29 (MLJ):

> [17] We are in agreement with the learned judge's findings that as an infringer and as to what may be regarded as a 'policy' ground, the appellant cannot be regarded as a 'person aggrieved' for the purposes of s. 46(1) of the TMA. There is juristic support for this 'policy' approach by the learned judge which was upheld by the Court of Appeal. As a matter of statutory interpretation, the courts have long applied the principle of construction in *bonam partem*. On this point a useful reference can be made to *Bennion on Statutory Interpretation*, (5th Ed), Lexis Nexis, 2005 at p. 792 wherein a passage is reproduced as follows:
>
> > Construction in *bonam partem*. In pursuance of the principle that law should serve the public interest, the courts have evolved the important technique known as construction in *bonam partum* (in good faith). If a statutory benefit is given on a specified condition being satisfied, *it is presumed that Parliament intended the benefit to operate only where the required act is performed in a lawful manner.*
> >
> > *Construction in bonam partum is related to three specific legal principles. The first is that a person should not benefit from his own wrong.* Next is the principle *allegans suam turpitudinem non est audiendus. If a person had to prove an unlawful act in order to claim the statutory benefit, this maxim would preclude him from succeeding.* The third related principle is stated by Coke in the words *ubi quid generaliter conceditur inest haec exceptio si non a liquid sit contra jus fasque* (*where a grant is in general terms there is always an implied provision that it shall not include anything which is unlawful of immoral*). (emphasis added)

[76] On the authority cited (including a few others) and the submission of the plaintiff, I wholly agree that the plaintiff is a person aggrieved for the purposes of s. 45(1) and s. 46(1)(a) of the Act. Being a trader whose business is or will be effected by the continued presence of the marks in the defendant's Class 16 registrations, the plaintiff is therefore entitled to apply for rectification of the registrations.

Defendant Is Not Bona Fide Proprietor – s. 25(1) Of The Act

[77] It is submitted by the plaintiff that the defendant has failed to adduce any evidence to substantiate its claim to proprietorship in the FBK mark under s. 25(1) of the Act. This can be seen in the English case of *In the Matter of the Trade Marks Act, 1938 and in the Matter of Vitamins Ld's Application for a Trade Mark* [1956] RPC 1, ("*Vitamins Ld's Application*"), where Lloyd -

Jacob J, in considering the issue on the declaration of proprietorship on the form of application to register a trade mark, in an opposition proceeding, said, at p. 12:

> … In my judgment the form which an applicant is required to sign wherein he claims to be the proprietor, indicates an assertion of a present proprietary right. The respondents urge that this is merely as assertion that he claims to become the proprietor or to assume proprietary right as and when the application is granted, I do not accept that as the true interpretation of a form intended to be completed before registration can be applied for. A proprietary right in a mark sought to be registered can be obtained in a numbers of ways. The mark can be originated by a person or can be acquired, but in all cases it is necessary that the person putting forward the application should be in possession of some proprietary right which, if questioned, can be substantiated. Where, as here, another party in the same way of business had already put forward a claim to be the proprietor of the identical trade mark and had withdrawn the application for registration merely to avoid controversy and expense, it seems to me impossible to hold that the party who had by opposition secured that result could a few weeks later merely as a result of the withdrawal, claim proprietary rights …

Vitamins Ld's Application case (*supra*) was approved and followed by the English Court of Appeal in *Al Bassam Trade Mark* [1995] RPC 511.

[78] It is submitted that the defendant had failed to substantiate its claim of proprietorship in the FBK mark seeing that it is not disputed that SP9, the founder of the plaintiff's predecessor in title is the creator of the FBK mark and the plaintiff's predecessor in title is the first user of the FBK marks in Malaysia. Further, the defendant has failed to adduce credible evidence that it has any rights over the FBK mark other than to allege that the defendant had acquired such rights by way of acquiescence on the part of the plaintiff's predecessor in title. (See *Walton International Ltd v. Yong Teng Hing; Pendaftar Cap Dagangan, Malaysia (Interested Party)* [2010] 8 CLJ 802, which was affirmed by the Federal Court in *Yong Teng Hing B/S Hong Kong Trading Co & Anor v. Walton International Ltd* [2012] 6 CLJ 337; [2012] 6 MLJ 609).

[79] I agree with the submission of the plaintiff on this issue. The defendant's allegation that it has acquired such rights by way of acquiescence on the part of the plaintiff's predecessor in title has been earlier rejected by me and I therefore find that the defendant is not *bona fide* proprietor of the FBK marks.

Likelihood Of Deception And Confusion – s. 14(1)(A) Of The Act

[80] Section 14(1)(a) of the Act provides:

> (1) A mark or part of a mark shall not be registered as a trade mark:
>
> (a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;
>
> …

[81] The test to determine whether there is likelihood of confusion and deception to the public by use of the mark to be expunged was formulated by Eversheed J in *In The Matter of An Application by Smith Hayden & Coys Ld* [1946] RPC 97 which was subsequently refined by Lord Upjohn in *Bali Trade Mark* [1969] RPC 472 at p. 496 as follows:

> …Thus it came about that Eversheed, J in *Smith Hayden & Co's Application* (1945) 63 R.P.C 97 formulated the test under section 11 in these terms (at p. 101 line 40):
>
> > (a) (Under section 11) 'Having regard to the reputation acquired by the name HOVIS, is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?'

[82] Further it is not necessary, in order to find that a mark offends s. 14(1)(a) of the Act, to prove that there is an actual probability of deception leading to passing off or an infringement action. The court must be satisfied that there is a real tangible danger of confusion (see *Bali Trade Mark* (*supra*)).

[83] It is the plaintiff's submission that the marks in the defendant's Class 16 registrations are deceptively and confusingly similar to the plaintiff's FBK marks in that members of the trade and the public seeing the FBK mark applied to the defendant's registered goods would think that these goods are those of the plaintiff or associated or connected to the plaintiff. This is contrary to s. 14(1)(a) of the Act and should therefore be expunged. This is more so in the light of the fact that the plaintiff's FBK marks have been used for a long time (almost 30 years) in Malaysia and thus gaining extensive reputation in the plaintiff's usage of the plaintiff's FBK marks internationally and in Malaysia.

[84] As I have stated earlier, I have found the defendant has infringed and passed off the plaintiff's FBK marks as theirs. This would necessarily mean that the defendant's Class 16 registrations, bearing very similar marks as the plaintiff's FBK marks, are deceptively and confusingly similar to the plaintiff's FBK marks and therefore offends s. 14(1)(a) of the Act. This is especially in the light of the long usage by the plaintiff and the plaintiff's predecessor in title. That being the case I find that the defendant's Class 16 registrations should be expunged from the register.

Not Entitled To Protection By Any Court Of Law – s. 14(1)(B) Of The Act

[85] Section 14(1)(b) of the Act provides:

> (1) A mark or part of a mark shall not be registered as a trade mark -
>
> …
>
> (b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law;

This provision was considered in *Howe Laboratories Inc v. Daemar* 1936 IPR 638, where the opponent relied on, amongst others, s. 28(d) of the Australian Trade Marks Act 1955 (which is in *pari materia* with s. 14(1)(b) of the Act). The hearing officer held, at p. 647, that a party (the applicant) who only had distribution rights for another's products and who then applied for the registration of a trade mark for goods which are in some way related to the products, was acting in less than good faith. The hearing officer said that such an action would be, unless shown to be otherwise, conduct which would render the mark not entitled to protection in a court of justice.

[86] It is submitted by the plaintiff that the defendant clearly had knowledge of the plaintiff's predecessor in title's rights in the FBK marks but nevertheless proceeded to apply to register the marks in the defendant's Class 16 registrations. It is to be noted here that prior to applying to register the marks in the defendant's Class 16 registrations, the defendant had applied to register the FBK marks in Class 12. These applications were objected to by the Registrar of Trade Marks and subsequently abandoned by the defendant (Q&A 16, 19, P9). It is submitted that the defendant had accordingly acted dishonestly and in bad faith and the defendant's marks in Class 16 registrations are disentitled to the protection of the court and should be expunged from the Register as being contrary to s. 14(1)(b) of the Act.

[87] I agree with the plaintiff's submission on this issue, and I am of the view that the defendant's Class 16 registrations should not be entitled to the protection of this court. I accordingly also find that the defendant's Class 16 registrations should be expunged from the Register of Trade Marks under s. 14(1)(b) of the Act.

Registered Without Intention In Good Faith To Use And No Use In Good Faith

[88] It is contended by the plaintiff that the defendant is not in the business of manufacturing or selling "paper, cardboard and goods made from these materials, and plastics and materials for packaging". The manner in which the defendant's use of the marks in its Class 16 registrations does not indicate a connection in the course of trade between the defendant's registered goods and the defendant and does not satisfy the definition of a "trade mark" under s. 3(1) of the Act. "Trade mark" therein has been defined as:

> means, except in relation to Part XI, **a mark used or proposed to be used in relation to goods** or services **for the purpose of indicating or so as to indicate a connection in the course of trade between the goods** or services **and a person having the right either as proprietor** or as registered user **to use the mark** whether with or without an indication of the identity of that person, and means, in relation to Part XI, a mark registrable or registered under the said Part XI;
>
> (emphasis added)

[89] The defendant's audited accounts at pp. 2219, 2230, 2242, 2254, 2268, 2282, 2298, 2330, 2364, 2406, 2428, 2450 and 2476, C9, and pp. 2500 and 2529, C10, show that the principal activity of the defendant since 1997 until 2011 is manufacturing and trading of automotive components. There is no evidence that the defendant is in the business of trading in paper, cardboard and goods made from these materials and plastic materials for packaging as alleged. The defendant is obviously using the marks on printed material such as "paper, cardboard and goods made from these materials, and plastics and materials for packaging" in relation to brake pads and brake shoes with the intention of misappropriating the plaintiff's goodwill and reputation in its business.

[90] Reference was made to *Kodiak Trade Mark*'s case [1990] FSR 49, where it was held that there cannot be trade in goods which are merely ancillary to wider trade. In that case, the court found that T-shirts were not an essential article for the purposes of the respondent's photographic trade and there was no trade in T-shirts *per se* when used as a vehicle for advertising the respondent's photographic trade. The respondent's mark for article of clothing was expunged. The court in discussing "use of a trade mark in the course of trade" said at p. 56 as follows:

> … But here, as it seems to me, the sole purpose of the legend was to advertise films and plates. It is not a case here of showing the source of the T-shirt, and incidentally of advertising the general business of the proprietor: it is a case primarily advertising the business of the proprietor. To my mind the shirt is principally a vehicle. It is, of course, not a mere vehicle as was the packing case, which had no other function than a convenient method of conveying the goods. It would be wrong simply to describe the shirt as a mobile advertising hoarding; it had use as an article of clothing, but the principle and avowed purpose of it was promotional material.
>
> …

At p. 61:

> The evidence here shows no true trading in T-shirts. Kodak were not out to make a profit, either directly or indirectly, from their distribution as T-shirts. Many of them were given away free and not as loss-leaders or anything like that. They were distributed so as to get people to go and buy photographic material. The trading in the T-shirts was not embarked on as an end itself but for some other more important objective …

[91] I again agree with the plaintiff submission under this heading. I also find that the defendant's Class 16 registrations should be expunged from the Register of Trade Marks by reason that they were registered without intention in good faith to use and no use in good faith.

[92] In conclusion on the topic of rectification of the defendant's Class 16 registrations and the issues it relates, based on the above considerations I answer the issues as follows:

(a) issue 6(f), I find the defendant's Class 16 registrations are entries made in the Register of Trade Marks without sufficient cause or are entries wrongfully remaining on the said Register;

(b) issue 6(g), I answer in the affirmative;

(c) issue 6(h), I answer in the negative;

(d) issue 6(i), I answer in the negative;

(e) issue 6(j), I answer in the negative;

(f) issue 6(n), I answer in the negative;

(g) issue 6(o), I answer in the negative.

Rectification Of Plaintiff's FBK Marks (Issue 6(k), 6(r))

[93] This issue involves the defendant's counterclaim against the plaintiff where the defendant seeks to have the plaintiff's FBK marks expunged from the Register of Trade Marks. The relevant part of s. 37 of the Act which is applicable to the plaintiff's trade mark registrations provides as follows:

> 37. In all legal proceedings relating to a trade mark registered in the Register (including applications under section 45) **the original registration of the trade mark under this Act shall, after the expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown:**
>
> (a) that the original registration is obtained by fraud;
>
> (b) that the trade mark **offends against section 14**; or
>
> (c) that the trade mark **was not, at the commencement of the proceedings, distinctive of the goods** or services **of the registered proprietor,**
>
> …
>
> (emphasis added)

[94] It is submitted by the plaintiff that applying the threshold text propounded by the Federal Court in *LB (Lian Bee) Confectionery Sdn Bhd* (*supra*), the defendant is not a "person aggrieved" by virtue of being an infringer. As I have found that the defendant has infringed the plaintiff's FBK marks and has passed off the defendant's alleged marks as the plaintiff's marks, I agree that the defendant is not a "person aggrieved" for the purposes of s. 45(1) and s. 46(1) of the Act.

[95] The defendant had pleaded that the plaintiff's FBK marks were not at the commencement of the proceedings distinctive of the plaintiff's goods due to the blameworthy conduct of the plaintiff (paras. 38-44 of amended defence and counterclaim) in that:

(a) the plaintiff's predecessor in title did not object to the defendant's use of the letters "FBK"; and

(b) purported abandonment of "FBK" by the plaintiff's predecessor in title during the period 1990 to 1998.

[96] It is the plaintiff's submission that based on its earlier submissions the defendant has failed to adduce credible evidence in support of its allegation on the plaintiff's predecessor in title's failure to object to the defendant's use of the "FBK" as part of its company name and as a mark upon its goods. On the other hand, the plaintiff reiterates and emphasises that it has adduced credible evidence to show that there was no abandonment of the plaintiff's FBK marks at any time during the period 1990 to 1998, which fact was admitted to by SD1 during cross-examination.

[97] As to whether the plaintiff's FBK marks have lost distinctiveness, it is submitted that the defendant has failed to adduce any evidence to establish that the "FBK" mark is so universally used that it no longer functions as an indicia of origin of the plaintiff's goods.

[98] I agree with the plaintiff's submission. I find that the defendant does not have a grievance cognisable in law to have the plaintiff's FBK marks expunged from the Register of Trade Marks. With the same token I find that the defendant has failed to prove its counter claim against the plaintiff and I dismiss the defendant's counterclaim.

Conclusion

[99] For the reasons I have adumbrated above, I find that the plaintiff has been successful in establishing its claim against the defendant on a balance of probabilities and I allow the plaintiff's claim. I also find that the defendant has failed to prove its counterclaim against the plaintiff and I dismiss the counterclaim. I therefore, unless otherwise stated, allow the plaintiff's claim as follows:

(a) prayer 36(1), (2), (3), (4); in respect of prayers 36(2) and (3), the time period of seven days shall be substituted with one month;

(b) prayer 36(5), whereby the enquiry as to damages or, at the plaintiff's option, an account of profits, shall be before the learned Deputy Registrar of the court. The interest to be imposed on the damages to be assessed shall be 5% per annum from the date of assessment to the date of realisation;

(c) prayer 36(6), exemplary damages is disallowed;

(d) prayer 36(7), (8), (9), (10), (11), (12), (13), (14);

(e) prayer 36(15), costs to the plaintiff in the global sum of RM300,000 for both the plaintiff's claim against the plaintiff and the dismissal of the defendant's counterclaim against the plaintiff and subject to the payment of allocatur fees (see below);

(f) prayer 16, save for prayer 36(5), interest is disallowed.

Costs

[100] I had requested parties to submit additionally on the issue of costs and they did so. Below are the respective party's submission on the matter.

Plaintiff

[101] The plaintiff submits that it has incurred costs in the total sum of RM965,390.58 in this action but is not seeking for the full and complete amount. The plaintiff submits that the plaintiff should be entitled to claim costs amounting to RM550,000 in this action which is reasonable and justified based on, *inter alia*, the following grounds:

(a) legal fees incurred by the plaintiff in relation to engaging its solicitors including research, getting up, preparation, filing of documents and court attendance attended to by the plaintiff's solicitors amounting to RM516,035 in respect of the present action;

(b) the plaintiff's solicitors have performed a substantial amount of preparatory and substantive work in this action such as drafting and reviewing drafts of the witness statements, preparing cross-examination and examination-in-chief questions for the trial in which counsel for the plaintiff conducted both examinations-in-chief and cross-examinations of witnesses, drafting written submission and submission in reply, interviewing the witnesses, perusing and responding to correspondence, appearing in case management hearings on 13 March 2013 and 15 April 2013 and in court during the trial of this action which took place on 22 April 2013, 23 April 2013, 24 April 2013, 25 April 2013 and 17 July 2013;

(c) this action is in respect of trade mark infringement and passing off of the plaintiff's FBK marks involving complexity of technical aspects of the plaintiffs goods bearing the plaintiff's FBK trademarks, namely, automotive brake parts and certification standards awarded to the plaintiff such as the E-mark which required the plaintiffs solicitors to perform extensive research and absorb the voluminous technical information in order to submit and guide this court on the plaintiff's goods bearing the FBK trade marks and the automotive spare parts industry;

(d) numerous meetings were held with the plaintiff and witnesses. There were also meetings with enforcement officers of the Ministry of Trade in Putrajaya and Kuala Lumpur, and with Mr Tec Eng Hak (SP9) at his office in Semenyih;

(e) there are voluminous documents including, amongst others, the common bundle of documents (vols. 1 to 19) which were prepared and filed by the plaintiff in this action;

(f) a substantial amount of time was spent meticulously going through the voluminous documents, preparing bundles of documents and the preparation of the power point slides used during the trial;

(g) a large amount of photos, printed materials and photocopies were prepared;

(h) numerous automotive brake parts manufactured by the defendant were purchased from various stores around Kuala Lumpur to be photographed and the photographs were adduced as evidence of infringement and passing off of the plaintiff's FBK trade marks by the defendant before this court in this action; and other expenses had to be incurred as a result of the additional preparations with regard to the present action.

Defendant

[102] The defendant submits that the sum of RM200,000 for getting up is fair and reasonable in all the circumstances of this case based on the following grounds.

[103] The complexity of the matter and the difficulty of the questions involved:

(a) the defendant's submissions raised significant issues of trade mark infringement, passing off particularly with regard to the issue of assignment of the trade marks and the defence of implied consent. The defendant presented extensive submissions on the following issues that were raised:

(i) whether there was any effective assignment or transfer of the plaintiff's alleged trade marks to the plaintiff;

(ii) whether or not there was a complete transfer of the plaintiff's alleged trade marks to the plaintiff in law which entitled the plaintiff to commence trade mark infringement action against the defendant. Whether the assignment of the plaintiff's alleged trade marks to the plaintiff was defective;

(iii) whether there would be an effective transfer of the goodwill of the business if the liabilities/burdens/obligations were not transferred;

(iv) whether the plaintiff has adduced any actual evidence of confusion in the market place;

(v) the issue of implied consent/estoppel. The defendant and/or its predecessor had been using the defendant's FBK Trade Marks and trade name without disturbance from any party for 17 years at the time of the trial.

The defendant had carried out extensive preparation work and research in relation to the matters set out above which clearly showed that the defendant had made out the case in its defence as well as its counterclaim.

(b) the difficulty of the questions involved in the present suit was further intensified by the plaintiff going into various issues that were not pleaded and/or were irrelevant to the core issues of the suit. In order to successfully defend the plaintiff's contentions and/or claims, the defendant had to engage in extensive legal research as well as going through voluminous bundles of documents and hence, further costs and expenses were necessarily incurred.

(c) further, the plaintiff's claims also required the defendant to adduce evidence in defending the plaintiff's claims. At the conclusion, the defendant had to prepare written submissions consisting of 130 pages as well as written submissions in reply consisting of 50 pages against the claims of the plaintiff and in support of the counterclaim of the defendant.

[104] The skill, specialised knowledge and responsibility required of and the time and labour expended by, the solicitor or counsel:

(a) this action as set out above involved serious issues pertaining to trade mark infringement, passing off as well as the effective transfer of trade marks, implied consent, estoppel etc.

(b) there was no doubt that substantial time and labour was expended in the getting up of this case in order to comprehensively address all the questions of law and fact raised by the plaintiff. The nature of the present suit required extensive and in depth research and as such the defendant's counsels had to peruse numerous authorities as set out in the defendant's and plaintiff's respective bundles of authorities. Detailed research was carried out on specific areas of trade mark law, which would have had far reaching implications for the trade mark law in Malaysia, not to mention research on the common law position in Malaysia as well as in foreign jurisdictions.

(c) it must be noted that time and labour were also expended to peruse documents and submissions such as preparation of pleadings, bundles of documents, bundle of authorities, witness statements as well as preparation of exhibits.

[105] The number and importance of the documents prepared or perused:

There are 22 volumes of documents within the bundle of documents. The defendant's counsels had to peruse and decipher all the documents so as to adequately equip themselves in order to build the defendant's case. The number of documents prepared or perused also included the pleadings, witness statements and the extensive submissions prepared and filed.

[106] The importance of the matter:

(a) the defendant as well as its predecessor, had been and are at all material times actively involved in the manufacturing, distribution and sales of disc pads, brake pads, brake linings, and bonded shoes. The defendant had built up valuable goodwill and reputation in its business. There is no doubt that goodwill and reputation is a valuable asset for a company. Moreover, as mentioned in the above paragraphs, the defendant and/or its predecessor had been using the defendant's FBK Trade Marks and trade name without disturbance from any party for 17 years at the time of the trial.

(b) the defendant's FBK Trade Marks are invaluable intellectual property assets and are of utmost importance to the defendant. Over a significant period of time, the defendant invested immense effort, expense and time in promoting its business.

(c) as such, any wrongful claims made against the defendant would generally result in an interruption of the smooth running of the defendant's business. In the present case, the defendant was left with no option but was compelled to take all means necessary to safeguard its interests and to fully defend itself against the claims of the plaintiff. The defendant could not risk the adverse effects of losing this action.

(d) therefore, much time, effort and work was invested in fully defending the action and prosecuting the counterclaims.

[107] I had the privilege of hearing the parties and read their extensive submissions. I agree on all that was alluded to by the parties on the complexity of the issues involved, the perusing and understanding of the voluminous documentation, the level of difficulty in drawing up the cause papers as well the written submissions etc. Having taken into account both parties' suggested costs, I award the global costs of RM300,000 to the plaintiff (since I have also dismissed the defendant's counterclaim).